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ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS' MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME FIVE

PHOENIX, ARIZONA, JANUARY, 1918

NUMBER ONE

Funds for State Roads and Bridges

Aggregate Over

\$ 1 , 1 7 1 , 0 2 9 . 4 6

For Present Year

Now Available

EDITORIAL COMMENT

Railroad Property as Connected With County Taxes in Arizona

IN the last issue of this Magazine, mention was made of the fact that nearly one-seventh of the entire value of property in this state comes from railroads. To be exact, out of a total valuation of taxable property in Arizona for the year 1917 of \$697,526,619.68, \$96,728,523.00 is railroad valuation. The one-seventh which was used in that article was for comparative purposes as related to the question of state taxes, as such taxes would be affected with and without railroad property as one item. That is, assuming that the United States took over the permanent ownership of railroad properties in Arizona, thus exempting that class of property from taxation, then the one seventh of state taxes now paid by the roads would fall upon other property, assuming of course, that state expenses remained as large as at present. An assumption which may be quite safely made.

The article of last month did not tell the whole story. The effect of government ownership of railroads in Arizona would be quite as disastrous to many of the counties. Using the word disastrous is applying it to the result upon other taxable properties of those counties, if the whole burden of tax was placed upon that property, and railroads entirely exempted. For the benefit of our readers, the figures are given, county by county, in the tabulation which follows:

Mohave and Yuma, the proportion of railroad property to other property runs from one-third to nearly one-half in value. Any move which would suddenly shift the burden of taxes—county and common school taxes—in such manner that the burden of payment rested upon the remaining properties of these counties would result in directly increasing the taxes upon that other property in the ratio referred to.

Graham and Navajo counties may be fairly listed in the same class with those counties above referred to. Counties in which, with railroad properties exempted from taxation, the one-third of taxes now paid by railroads for county purposes would be paid as an increased burden upon other property.

This does not tell all the story. In the counties named, there are many school districts. Each of these districts have more or less amounts to be raised for special district purposes, interest and principal upon bond issues and the like. Exempting railroad property from each district would require more taxes from other properties of that district. In some instances, the proportion would be more than 50 per cent.

Plain figures taken from the actual valuations of property, as those valuations were finally fixed by the State Board of Equalization, show for themselves. Computations made from those figures tell the result which government ownership would have upon Arizona. These figures should be considered. These figures should be taken

enjoy to repay her taxpayers for the extra burden of taxes which they—the figures—show will result from government ownership of railroads.

Important questions of that nature merit careful consideration by every person, should never be decided off-hand, nor left go by default, with no consideration whatever.

The Magazine gives the actual figures viewed from the stand-point of an effect upon taxes and taxpayers in Arizona. With these figures before them, the people will voice the judgment of their decision upon this, as upon other questions, at the proper time.

Overhanging Debts From Last Year May Result in Deficits in Funds

SEVERAL months ago this Magazine published some figures which showed in part the amount of unpaid debts due from various institutions on account of overexpenditure in connection with those institutions for the year ending June 30, 1917. That is, overexpenditures in the shape of purchases made during that period, and not paid for out of the funds appropriated for the year. Purchases, which remained unpaid after the total appropriations for the year then ending had been used up.

For illustration, there was an overhang account amount of \$30,390.24 at the State Prison. This amount has since been paid. The effect of it's payment appears when the total appropriation for maintenance of the prison, \$95,000 for the year 1917-1918, reduced by this \$30,390.24 of over-hang accounts, left only a little over \$64,000.00 available out of that appropriation for the actual maintenance of the prison for the current year. Again for further illustration, a hang-over balance of over \$10,342.00 existed in connection with the State Industrial School. The appropriation for maintenance of that school for the year now passing was the sum of \$35,000.00. After paying the old bills of the preceding year, a balance of less than \$25,000.00 remained to run the State Industrial School for a full year.

With funds at a low ebb in both these institutions, during the prior year 1916-1917, the ordinary stock of supplies was

COUNTY	Total Valuations	R. R. Valuations
APACHE	\$ 7,722,499.73	\$ 3,706,000.00
COCHISE	151,789,316.47	17,484,674.00
COCONINO	19,228,582.67	8,806,655.00
GILA	147,882,276.35	2,524,658.00
GRAHAM	12,427,096.25	4,062,720.00
GREENLEE	41,867,854.98	2,527,680.00
MARICOPA	80,707,733.34	11,130,270.00
MOHAVE	18,432,332.20	7,497,080.00
NAVAJO	10,207,174.73	3,769,920.00
PIMA	36,553,392.20	7,273,890.00
PINAL	46,599,174.00	8,005,596.00
SANTA CRUZ	9,282,403.69	1,051,084.00
YAVAPAI	98,716,072.28	11,434,846.00
YUMA	16,710,710.45	7,453,360.00
	\$697,526,619.68	\$96,728,523.00

From these figures it may be observed and deliberated upon in the light of possible advantages which Arizona might

more than usually depleted, thus leaving the real situation one in which old bills and a low commissary reserve, necessarily drew heavily upon the appropriation for a new year, that year now passing.

Six months of that year expired December 31st, 1917. On that date the actual balance in the total annual appropriations for the two institutions named was, balance in prison fund only \$24,449.60, balance in Industrial School fund, only \$2,827.21. Assuming that it would be possible to pro rate the expenses of maintaining these institutions on a semi-yearly basis, that one-half of the total appropriations be used in the first half year, and the remainder reserved for use during the half year yet to pass, \$47,500.00 would be the amount proper to consider in connection with prison maintenance, and \$17,500.00 the amount to be considered in connection with industrial school maintenance. But when it was necessary to pay out over \$30,000.00 for overhanging bills against the prison fund, there remained only \$17,500.00 for the expenses of maintaining that institution during that first half year; and when it was necessary to pay over-hanging bills amounting to over \$10,000.00 against the industrial school maintenance fund, only \$7,500.00 remained to pay its bills during the first six months of the year. That six months which in each instance expired December 31st, 1917.

Whatever the present situation may be respecting the real state of balances in those two maintenance funds, that

situation has been produced by, and is almost entirely due to, the fact of those old, unpaid, and over-hanging last years' bills.

In fact, having carried on the institutions for six months, it is surprising that even \$24,449.00 remains to the credit of the prison fund, or that a balance of \$2,800.00 remained in the maintenance fund of the Industrial School. Surprising it is when not only the old accounts paid have been considered, and the increase cost of current supplies is also considered.

This Magazine has consistently advocated a policy of confining the amount of expenditures and debts incurred in any year within the limits of the appropriations for that year. Has advocated such a system of public accounting as would show the real state of funds, supplies on hand, and supplies needed, each year separate and distinct from every other year. Had this policy as to expenditures and creating of liability been applied in the past, and had it been applied in connection with the system of accounts mentioned and advised, not only would the legislature have been advised as to the real needs and amount of funds needed, but these institutions, or any institution, would have been relieved of any anxiety over the question of a possible deficit in funds, with a fiscal year only half gone.

Business is business, whether that word is applied to private affairs, or applied to public activities. The same rules apply to each. At a time when

it becomes necessary to conserve all energies which it is possible to conserve. At a time when prices of commodities, whether for public institutions or private consumption, are way above those prices in mind when the last legislature met. At such times as the present, there is brought out with extra force and made more important, the almost imperative need of applying strict business rules to public business.

Deficits in funds are not considered as prizes when passed from one private management to its successor. They are no more so when created by one public administration and passed along to be handled by the succeeding administration. At times like these when regardless of the ability of the public to contribute in taxes to public revenues, the members of that same public are confronted with momentous exigencies which demand contributions in other directions—contributions almost without limit—if all demands are met, then it is that the old adage, "in time of peace prepare for war" exemplifies itself. Deficits at times like the present are matters of more than ordinary effect in resulting consequences. Had good business principles been put in course of application to matters of state, county, and city affairs in this state, there would be no possible question of any strain at all due to unexpected deficits in maintenance funds, deficits in turn due to over-hanging, unexpected, and unprovided for over-expenditures in past years.

Respecting Control of State Road Funds

THIS Magazine is not particularly concerned with the matter of distribution of the administrative powers connected with the state and county governments. Incidentally, it is not concerned with any dispute as between state boards and state officers, as to which of two or more contestants for supreme control, is in fact supreme. The expenditure of money appropriated for a public purpose. Its timely application to the necessity which was the reason for its appropriation. The question of getting for the public the using benefit of improvements to be made with public money—money which has been raised from the public by taxation and otherwise—getting the benefits rather than waiting until questions as to conflict of authority over funds has been decided, this latter question does concern this

Magazine and its readers.

Money Appropriated By Legislature Public Waits For Roads

With a legislative declaration that certain money be raised, with the implication that such declaration carries with it, that the money raised be efficiently spent, the public has a right to expect results in public improvements. For illustration, with over \$1,100,000.00 of state money available for roads and bridges the public has a right to expect and to see some results in the way of highway construction with that money.

With Railroads Over-Burdened With Traffic, Good Roads A Necessity Now

It goes without argument that if the state of Arizona needs roads at all, it

needs them at the present time. The strain upon the railroads which run through the state, the vast amount of main line traffic, of necessity interferes with, and delays, traffic upon branch lines. This interference cannot be avoided. How long the causes which lead up to and cause this interference will continue as a cause, depends upon the question of how long the present war will last. No complaint is registered from any person, or from any community, directed to the present unavoidable conditions. If an Arizona merchant must wait longer for his freight deliveries, when the cause of that waiting arises from war necessities, neither the merchant nor his customers complain. If it becomes necessary to have breadless

(Continued on Page Six)

MISCELLANEOUS STATISTICS**Cost of Supervision**

Salary of County Superintendent (in full for all services including the conducting of Teacher's Examinations)	\$1768.50
Salary of Deputy Superintendent	415.50
Amount paid Superintendent as Examiner and contingent expenses	750.50
Expense Postage and expressage	41.00
Office supplies	118.62

Institute Fund

Amount received from county..	\$500.00
Total	500.00
Amount expended	434.80
Balance in fund	65.20
Total number of school houses owned by districts—13.	
Total number of school houses rented by districts—1.	

School Districts

Number new districts organized—	None.
Number of districts lapsed (were re-organized.)—	Two.
Number of school houses erected—	3
Number of teachers employed—	47.
Average salary paid monthly to men—	\$153.33.
Average salary paid monthly to women—	\$81.93.

Average salary paid monthly to Normal Training—	\$113.00
Total number 6 to 21 as per census—	1524.
Total number 8 to 16 as per census—	878.

SUPPLEMENTAL**Receipts**

Total balances on hand beginning of school year...	\$17,245.44
Amount received from apportionments	47,330.00
Amount received from district taxes for maintaining schools	2,893.31
Amount received from subscriptions, tuitions, other sources (Forest Fund)	8,946.22
Total receipts for school maintenance	76,414.97

Disbursements

Paid for teachers salaries..	\$37,214.25
Paid for supplies, (chalk paper, pens, ink, etc.)	9,597.84
Paid for fuel, light, water..	1,934.23
Paid for janitor services....	3,568.65
Paid for repairs, building..	9,603.50
Paid for furniture and school apparatus	700.41
Paid for Libraries	95.93
Paid for Truant Officer....	521.45
Expenses for taking school census in county	240.20

Total expenditures for school maintenance	63,476.06
Balance on hand—total receipts minus total disbursements	12,938.91

Valuations

Valuation of lots, school houses and furniture	\$119,329.77
Valuation school libraries..	2,150.42
Valuation school apparatus..	2,956.91
Total valuation of school property	124,437.10

GENERAL STATISTICS

Number of teachers employed in county, Male 3, Female 44,—total—47.

Special Tax Levied**Grammar Schools**

Name of District—	Fredonia
Number of District—	6
Amount—	\$148.51
Rate—	.15
Purpose—	Maintenance
Manual Training Schools	
District—	Number 1.
Rate—	.03
Purpose—	Manual Training

District—Number 2

Rate—.04

Purpose—Manual Training

High Schools

Number of District—	2.
Name of District—	Williams
Amount—	\$2,744.80
Rate—	.085
Purpose—	Maintenance

Coconino County Expenditures for School Maintenance

Teachers' Salary	Cash Paid Supplies Chalk, etc.,	Cash Paid Fuel, Light and Water	Cash Paid Janitor Services	Cash Paid Building and Repairs	Cash Paid Truant Officer	Cash Paid Apparatus	Cash Paid Libraries	Cash Paid Census Marshall	Total Expenditures
055.50	\$3387.36	\$968.75	\$1400.00		\$521.45	\$ 77.70	7.78	\$128.55	\$20,547.09
110.75	3998.74	965.48	1495.00	\$5328.50			54.00	46.35	22,998.82
450.00	107.58								2,557.58
560.00	124.02		39.00			100.00		5.00	838.02
760.50	210.29		70.00	1500.00		54.18		5.00	2,599.97
810.00	123.60		90.00			120.00		5.00	1,148.60
447.50	391.06		162.00	2775.00			33.75	10.30	5,819.61
770.00	354.49					109.25		5.00	1,238.74
160.00	94.25		35.00					5.00	294.25
240.00	22.95		30.00						292.95
680.00	109.30		50.00			10.00		10.00	859.30
675.00	198.15		57.50			108.50		5.00	1,044.15
560.00	86.40		38.15					5.00	689.55
765.00	240.26		45.00					5.00	1,055.26
720.00	107.69		27.00			120.78		5.00	980.47
450.00	31.70		30.00						511.70
214.25	\$9597.84	\$1934.23	\$3568.65	\$9603.50	\$521.45	\$700.41	95.53	\$240.00	\$63,476.06

Respecting Control of State Road Funds

(Continued from Page Three)

days, wheatless days, and depend entirely upon fruits and vegetables for our diet and living, no citizen of Arizona will be heard to protest. It is war times. Being war times the best must be made of the situation, possible to be made, through our own efforts.

Good Roads A Necessary Recourse For Self-Sustenance

If the people of Arizona are at the present time thrown upon their own resources; or, if in the near future, it becomes necessary for our people to become self-supporting, and self-maintaining, using to those ends, just what nature with the help of our prior exertions, has made available, it behooves us to prepare for meeting the requirements which may confront us, as a self-reliant truly pioneer people. If it becomes necessary for the farmers in the different parts of the state to raise the products to sustain life in the people of the state, over and above what is there and elsewhere raised, and contributed from Arizona to war supplies—copper, meats, cotton and the like, no doubt exists but that every rancher and farmer will be there with his production.

With all the foregoing in mind, then comes the all-important question of distribution of the necessary home products to the home consumer. The question of how this distribution may be accomplished, so accomplished without unnecessary loss and expense to the producer, and without extra or uncalled for additional cost to the consumers. One answer to this question is to be found in the words "connecting highways," meaning highways constructed from the place of production to the place of consumption. Necessarily state highways.

The particular question before the people at present is an immediate use of funds already in hand for the purpose for which those funds were provided, that so far as those funds will go, a preparation will be started towards a time which may soon confront us, of being placed upon our own resources.

The legislature intended certain money should be used for roads. Whatever doubt may exist as to who should control, the ultimate destiny or use of that money, should be settled temporarily at least, that the public may not be deprived of roads for present use. Let our officers waive a point for results in roads, rather than attempt to strain a point to establish an official power, and

the people at large will be better satisfied.

Certainly, under present conditions of development in all lines in this state, no stones should be thrown in the way of the making of such progress in road building, as possible with funds already provided, when general stagnation may be the final result of contrary action.

Prosperity of State Might Depend Upon Linking Producers to Consumers

Our mining camps, our cotton camps, our cattlemen, and our sheep men, our lumber camps, and in fact every particular industry in this state, which does not produce what those engaged therein, consume in the way of foodstuffs, will in the event of a shortage in supplies—of ordinarily available canned stuffs—be crippled to an extent. If such industries are forced to lag because of lack of food products, the result is nation wide, and world-wide in fact. The result might finally be felt in the trenches in Europe. Felt by the soldiers of our allies, and our own soldiers in a foreign land.

No Time To Argue As To Real Powers Public Demands Results

A little thought along the lines of possible results attendant upon delay in using available funds in road construction and a patient public will undoubtedly agree that the present is no time for disagreement as between state officers, or as between state and county officers, for control of road funds or any other funds. The prevailing spirit of the times carries with it such a general willingness to sacrifice personal rights to public necessities, that consistent with that spirit, public officials should refrain from all acts which savor of self-aggrandisement, which may tend to political supremacy in the future, and refrain from taking any position at all which when taken will stop the wheels which should be kept grinding towards results which are necessary.

—o—

Individuals and Hooverism

HERE seems to be some doubt in the minds of many as to just what is expected of the public in the matter of what is termed "Hooverism," and kindred expressions of similar meaning and intent. Of course there is no regularly accepted dictionary definition of the term, or terms.

Main Thing Is To Surely Provide War Needs

Going over the public announcements from Washington and accepting the true meaning of these expressions, as that meaning may be gleaned from such

sources, "Hooverism" does not necessarily mean to pinch, hoard, nor pursue a system of miserly actions in connection with our everyday life. Nor does it mean "business as usual" in the extreme effect of that phrase. Taking, as the government does take, a look into the future, starting with an amount of supplies and resources of all kinds, food, clothes, arms, amunitions, and the like for the present actual use of those armies, also taking into consideration the needs in line with getting our armies into the conflict across the seas, the needs of ships to keep a line of supplies going trans-Atlantic without ceasing until the struggle is over; starting with all this, and an estimate of our resources in possible production, the available amount of man and other labor power to sustain that production, and that line of communication, without possible failure at any time, and with all this done, then to the needs of the people who continue in civic life.

Problem Is For Individual Solution

If any of us can go without some little thing, can eat less wheat, meats, of staple foods, sustain our individual existence with foods at hand, locally produced, not readily preserved for transportation to army use, or for use in other markets, whose laborers are not food producers, by thus denying ourselves in that manner, we are "Hooverizing." We are leaving more staple foods for use by others who need them; we are leaving free for other labor producers of those staple food stuffs, to the extent they are relieved from any necessity to produce thereof to supply our needs. What is said about foodstuffs may be as truly said about clothing and other articles in daily use, and ordinarily deemed necessary to our full comfort. To the extent we deny ourselves new things for reason of changing styles, force of habit and the like, we are "Hooverizing," by making less demand upon the producers of any such article whatsoever, less demands upon each and every agency which must be brought into play to make, convey, and bring to hand, for our use, the particular article in question.

Purchase Necessaries For Individual Efficiency To End Of Victory

On the other hand, that each of us may render full efficiency of results, in that particular line of duty taken up by us, as a lesser cog of the large or small wheels of the great machine which is being constructed by our government to turn out victory as its one finished act, it is not "Hooverizing" to deny ourselves those things indispensable to that full

efficiency, except in those cases where the result of our acts might be less in final results, than the strain upon other portions of the machine due to furnishing the article we desire.

Each individual working to general

rules with an earnest desire of co-operation, will find no trouble in "Hooverizing" his or her daily acts, and habits. After applying rules as to denying ourselves that others may not go without, the proceeds saved thereby may, with

habits of thrift be used for "thrift stamps and baby bonds." Thus rounding out for each person his utmost usefulness and support to the great cause of the people—liberty for all people—at stake in the war of wars.

QUESTIONS AND ANSWERS

What officers will have charge of roads to be built by county road bond funds?

The answer to the above question comes from a reading of Chapter 31 of Session Laws of Arizona, 1917, page thirty-five, et. seq. from which is quoted several essential provisions, covering the powers and duties of the commission of highways there provided for. Quotations as follows:

"Said Highway Commission shall consist of five members, each of whom shall have been a bonafide resident and freeholder of said county for three years last past. Such Commissioners shall be appointed for a term of two years and until their successors are appointed and qualified; provided that should the proposition to issue the bonds of the county submitted to the taxpayers as aforesaid, fail to carry, or when all highway improvements for which bonds are voted at such election are completed, or when all the money arising from the sale of the bonds voted at such election shall have been expended, the term of office of such commission shall automatically end. *****

"Immediately upon their appointment said Commission shall proceed with diligence to investigate the main public highways of the county, in case the bonds proposed to be issued are for the improvement of the highways of the county generally, or in case the bonds proposed to be issued are for the improvement of certain highways of the county specified in the call for such election, then the Commission shall investigate the condition of such specific highways, and shall cause to be prepared a map of such highways showing their location, conditions, connections and such information in regard thereto as the Commission may deem necessary for the purposes of this Act, and shall ascertain and determine which of said main public highways so investigated by them, should be improved with the funds arising from the sale of the bonds proposed to be issued and the kind of improvements which shall be made thereon and shall procure an estimate of the cost of such

improvement.

"They shall also investigate the necessity or desirability of the laying out and constructing any new public highways in said county and shall include such proposed new highways in the map above mentioned, together with their connections, and such other information in regard thereto as the Commission may deem necessary for carrying out the purposes of this Act. *****

"All work for which said bonds are issued shall be done under the supervision and direction of the Highway Commission. As soon as the funds arising from the sale of said bonds are in the treasury, the Commission shall determine the character of the work to be done and shall prepare plans, specifications and profiles for the doing of such work, and thereupon shall advertise for bids for the doing of said work, or any part thereof in accordance with such plans, specifications and profiles, by publishing a notice calling for bids thereon for ten days in a daily newspaper or two weeks in a weekly newspaper published in such county. Every contract for the doing of any part of said work shall be let after advertisement as above provided to the lowest responsible bidder, who will give security for the faithful performance of said contract with sureties to be approved by said Commission in such amount as said Commission shall determine: provided, however, that the said Commission may make contracts for any part of said work the cost of which does not exceed One Thousand Dollars, without calling for bids therefor as above provided, and provided further, that said Commission may reject any and all bids received, and may thereupon re-advertise for bids for doing any part or the whole of said work.

Is the State Industrial School an "educational institution" within the meaning of the state land laws, and the enabling act and other acts of Congress under which the interest and revenues derived from or upon the proceeds of sales of lands granted to "educational institutions" may be used to maintain that Institution?

This question comes up in connection with a possible deficit of the amount of funds directly appropriated by legislature to and for the maintenance of the Industrial School, and the fact that the land grant fund for "educational purposes" will have funds available to the proper purposes of that fund. The answer to the question involves a consideration of the laws creating all the special land funds, that light may be thrown upon the intended meaning of the words 'educational institutions' as distinguished from meaning of words—penal, reformatory, and educational institutions,—as used by Congress and the state legislature in the land grant laws, and state land laws. Section 25 of the Enabling Act contains a grant in trust for certain institutions named, including specially "one hundred thousand acres of land" for "state charitable, penal, and reformatory institutions," after granting lands to "penitentiaries." Following this, the state land code in Section 100, laws of 1915, requires the establishment of separate funds, each according to the designation of funds in the enabling act, and including the "state charitable, penal and reformatory institutions" funds. Inasmuch as each of these distinct funds consist of their principal, permanent amounts, either in lands or proceeds of sales of lands, which are to remain intact for all time to come, and consist as well of rentals and interest, some disposition had to be made as to each division of every fund, that the income might find its way to the benefit of and for the particular institution which was named as the beneficiary of that fund—so named, either in a class, or by designation, it was necessary to make legislative provision in a direction to the state treasurer relating to transfers from the combined fund, to the special maintenance fund of each existing institution under any classification of institutions, and Section 104 of the land code covers and constitutes that direction.

The constitution mentions industrial schools as among the class of schools which may be established as a part of its free educational system, of public school system, but places the control of

that system in the state Board of education. At the time the constitution was adopted, the present state industrial school was an established institution, and using the words of the act creating it, as a key to its purposes, it was so created, "for the confinement, discipline, education, employment, and reformation of juvenile offenders in the State of Arizona." The general supervision and government thereof was then placed with the Board of Control. (See Pars. 4526, etc., Rev. St. 1913.) The constitution in Article XI, Section 10, does recite that "the revenue for the maintenance of the respective educational institutions shall be derived from the investment of proceeds of the sale, etc., of such lands as have been set aside for the use and benefit of the respective state educational institutions," but this language must refer to the distinct classes of educational institutions expressly mentioned in Section 25 of the Enabling Act there referred to.

Taking the whole situation together, the answer to the question is, that the present state industrial school is not an educational institution in the sense of being entitled to participate in revenues from land grants made to educational as distinguished from penal and reformatory institutions.

County Assets In Back Taxes

For some time the Magazine has been endeavoring to obtain the exact figures of the amounts of delinquent and unpaid taxes due the several counties of this state, and has been in correspondence with county officers for data thereof. Our object has been to be able to place before our readers, figures which would show the amounts returned as delinquent upon each year's roll of each county commencing with 1912, and with respect to the amounts so returned, be able to give the collections of back taxes since made for credit to the rolls of the several years. This article gives the figures from the county treasurers of nine counties, which cover the desired information. Correspondence is still going on with the treasurers of the other counties, to complete our figures, which when completed, will as to those counties, cover the same ground.

Looking over the figures and having in mind also the fact that the total amounts of taxes to be collected each year, has materially increased in amount over the prior year, and the fact that a comparison of the total amount to be collected upon the rolls returned in 1912, as compared with the rolls of 1916, is in ratio

of approximately one to two. That is the people of the state were paying in the aggregate amount over twice the amount of taxes in 1916 that they were paying in 1912. When these facts are considered the tables below show that the people are paying taxes more readily now than in the first year of statehood. Shows that county officers are getting results in their campaign of collection of back taxes. These figures may also show

some evidence of general prosperity in the state. Prompt payment of taxes is always considered as such.

In passing, it may be observed that the extra efforts to collect back taxes, have been made in a majority of the counties, without increasing the regular forces in the offices connected with that work. When once this work is up to date, future action necessary to keep it so, will not call for extra work in any office.

COCHISE COUNTY

Back Taxes Uncollected

1912.....	\$ 6,333.39
1913.....	2,076.73
1914.....	7,233.09
1915.....	11,534.50
1916.....	12,462.00

GILA COUNTY

Year	Reported Delinquent	Paid and Credited Off	Uncollected January 1, 1918
1912.....	\$24,975.19	\$22,071.96	\$2,903.23
1913.....	15,624.74	12,939.39	2,685.35
1914.....	19,606.59	17,473.21	2,133.38
1915.....	12,511.95	9,558.22	2,952.73
1916.....	12,581.08	4,377.41	8,203.67

GREENLEE COUNTY

1912.....	\$ 4,564.32	\$ 3,742.96	\$ 821.36
1913.....	6,896.14	6,620.03	276.11
1914.....	10,923.66	10,595.87	327.79
1915.....	2,812.42	1,788.76	1,023.66
1916.....	1,699.73	289.88	1,409.85

MOHAVE COUNTY

1912.....	\$ 1,302.94	\$ 488.47	\$ 814.47
1913.....	1,543.10	680.39	962.71
1914.....	2,588.31	1,710.12	878.19
1915.....	5,214.00	2,821.19	2,392.81
1916.....	10,435.40	7,522.39	2,913.01

PIMA COUNTY

1912.....	\$20,198.73	\$18,500.87	\$1,697.86
1913.....	21,825.37	20,177.68	1,647.69
1914.....	21,419.71	20,114.47	1,305.24
1915.....	22,905.18	19,695.42	3,209.76
1916.....	22,811.24	14,195.01	8,616.23

PINAL COUNTY

1912.....	\$ 7,760.08	\$5,206.45	\$2,553.63
1913.....	6,486.87	5,384.12	1,102.75
1914.....	8,105.83	6,756.73	1,349.10
1915.....	5,688.43	3,057.16	2,631.27
1916.....	5,640.88	2,478.98	3,161.90

SANTA CRUZ COUNTY

1912.....	\$24,649.47	\$13,481.98	\$11,167.49
1913.....	28,661.49	8,814.97	19,846.52
1914.....	36,494.51	7,987.72	28,506.79
1915.....	41,784.69	4,818.68	36,966.01
1916.....	42,780.13	12,456.77	30,323.36 (1918)

YAVAPAI COUNTY

1912.....	\$35,836.18	\$26,052.14	\$9,784.04
1913.....	20,626.86	15,394.48	5,232.38
1914.....	23,697.56	18,275.97	5,421.59
1915.....	20,076.55	11,318.97	8,757.58
1916.....	13,836.81	9,225.29	4,611.52

YUMA COUNTY

1912.....	\$15,522.27	\$14,615.07	\$ 907.20
1913.....	16,613.85	15,765.96	847.89
1914.....	16,022.71	14,402.62	1,600.09
1915.....	17,370.00	14,552.30	2,817.70
1916.....	14,449.69	6,432.45	8,017.24

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ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS' MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME FIVE

PHOENIX, ARIZONA, FEBRUARY, 1918

NUMBER TWO

The Pyramiding of State Expenditures

Comparative showing as to growth in amounts of annual expenditures for state purposes for past five years of statehood

1912-1913—\$1,629,381.73

1913-1914—\$2,404,190.17

1914-1915—\$2,702,041.58

1915-1916—\$2,924,597.00

1916-1917—\$3,305,035.20

The taxpayers are interested in the question, which is:— "Has governmental achievement increased in like proportion, to the end of greater welfare of the people of Arizona?

*Increased expenditures for 1916-1917 over 1912-1913
equals 202 per cent*

EDITORIAL COMMENT

County Budget Law Interpreted

The 1913 Legislature enacted what is now Chapter III of Title 49, of Civil Code of Arizona, and therein provided for the publication of certain estimates, including figures of actual expenditures for a closed fiscal year of the affairs of counties, towns and cities, with actual estimates of what the governing boards and bodies of those towns had in view as to the needs of the new, ensuing year, and what such boards and bodies purposed to expend during such year. In that chapter after granting authority to levy taxes under restrictions worded as follows:

"Shall levy and collect for the same fiscal year, on an estimate for county purposes, additional taxes for such purposes, which together with other sources of revenue, shall not, however, aggregate a total sum of money, exclusive of taxes for school purposes, ten per centum greater in amount than the total sum levied and collected for other than school purposes from all sources during the next year prior to that in which the levy is made."

The legislature went on to provide as to the detail to be followed in making public the proposed amounts to be expended for any and all purposes, and then concluded both subjects—amount of taxes to be raised, and amount of expenditures to be made—with the words:

"All taxes shall be levied or voted in specific sums, and shall not exceed the amount specified in such published estimates, and in no event shall the aggregate amount of taxes to be raised, excepting taxes for school purposes, exceed ten per centum greater in amount than the total sum levied and collected from all sources, for purposes other than school purposes, during the year next prior to that in which the levy is made."

Since the language above quoted became law, considerable discussion has been indulged, as to its meaning. Did the legislature intend to fix a limit of a not to be exceeded amount of taxes to be raised in one year as compared with the previous year—that one year's taxes should not be more than ten per cent greater than those of preceding year. Did the legislature intend that the actual amount of taxes to be raised for a new year when compared with the actual amount raised in a previous year, might

in fact vary in proportion as the other sources of revenues of one year, as actually collected, might be more or less than the estimated amount of what those other revenues might be for the new year under consideration, and so vary regardless of whether the result was that actual taxes levied would exceed by more than ten per centum the actual tax levies of the prior year? Did the legislature intend to place a limit not only as to amount of taxes to be raised, but a limit as well, upon the amount which boards might expend in each year, by confining those boards to items of amounts and purposes detailed in the published estimates of proposed expenditures? These questions have been decided in different ways. This Magazine has dealt with its version of the law, and at different times has given its opinion as to the real intent of the legislature. It is very gratifying to be able to give to our readers at this time, those extracts from a recent opinion of our Supreme Court, in which opinion the quoted sections of the law as above given, were fully discussed, the real purpose of the legislature stated, and the application of the law made in the light of that discussion and found purpose. All of which is in accord with prior suggestions upon the same matters, made in the columns of this Magazine.

The Court had under consideration the question of a tax levy made by the Board of Supervisors of Graham County, which exceeded the ten per centum limit by eighteen thousand dollars of an amount voted by the electors of the county for a bridge, and included in the general tax levy of a single year. The Court says:

"Chapter IV, Title 50, entitled 'Bridges on Public Highways' is not a tax levying statute. In it is granted authority to construct bridges and to contract debts for that purpose. Section 5094 thereof makes it the duty of the board of Supervisors, in certain contingencies, to call an election to determine the question as to whether a bridge shall be constructed or not, and for authority to raise 'funds necessary to pay the same by taxation as provided by law.' The last expression in this section makes it a condition precedent to the levying of taxes to construct the bridge by the Board of Supervisors, that the taxpayers of the county shall first authorize the levying of such taxes, but

it also requires that the fund for that purpose shall be 'by taxation as provided by law.' This of course means by direct levy upon the taxable property of the county in accordance with the provisions of the county in accordance with the provisions of the tax levying statute, to wit: Chapter III, Title 49, Civil Code. And Section 5099, which provides that 'the Board of Supervisors shall cause the amount necessary for the payment for such bridge or bridges to be raised by direct levy upon the taxable property of said county,' is only confirmatory of and supplemental to the authority extended to the board under the law as contained in Section 5094, and, at most, is a grant of power, 'authorizing the raising of the funds necessary, to pay the same by taxation as provided by law,' that is according to the limitations and restrictions as contained in the levying statutes supra.

"The law authorizing the building of bridges by the board of Supervisors necessarily implies the right and power of the board to contract debts therefor. It makes it the duty of the board of Supervisors to pay these debts or expenses by direct levy upon the taxable property of the county, but it does not, in terms or by implication, authorize the board to levy taxes upon the property of the county for this purpose in disregard of the limitations contained in Sections 4839-4842.

"The Board of Supervisors, in levying taxes for all county purposes in the year 1915, was authorized to exceed the levy of the preceding year ten per centum, and no more, and any excess over that amount contained in the levy was beyond its jurisdiction. When the board discovered that the levy was excessive and beyond the limit as fixed by law, it was its duty to scale the estimate down so as to comply with the limitations fixed by Sections 4839-4842. It was for the board to determine which item or items of the estimates for county purposes should be reduced so as to conform to the limit fixed by law. If the law limits the expenditures of the county for the current year so that the payment of some of the debts lawfully and rightfully contracted must be postponed, it is not the fault of the Board.

"The legislature is the source of the taxing power and without a grant from it, no taxes can be levied or collected.

It has seen fit to limit this power, except in special enumerated cases, so that the burden on the taxpayer for the current year may not be more than ten per centum greater than the preceding year. This was done in the interest of the taxpayer, a policy based upon common sense and reason, and upon an experience and knowledge that, unless some restraint be

placed on counties, the burdens of taxation may be severely hard upon the taxpayers. To emphasize the mandatory and prohibitory character of the requirements of the tax levying statute, the legislature, in Section 4843, provided that any officer violating any of the provisions of Sections 4840, 4841 and 4842,

should be guilty of a misdemeanor.

"If the Board of Supervisors can expend the limit fixed by law for one purpose, it can do the same for any and all county purposes. If the board may ignore the statute for one purpose, there it is frittered away and the burden of taxation which it was intended to curb, may be extended without limit."

The Quasi Public Functions of Taxpayers' Associations

THE fact that taxes are constantly increasing as the result of corresponding increase in demands for public expenditures connected with old lines of public activities, and for expenditures connected with new ideas adopted by the public as likewise necessary that governmental activities cover the field deemed necessary by the people, is a fact too well known to require argument—too well known as a fact to require the production of comparative aggregate figures showing past expenditures in connection with those of the present.

Experience has shown the people that matters pertaining to tax matters, matters pertaining to public expenditures, are each subjects upon which the individual gives little attention, except perhaps at tax paying time, and if at such time an individual discovers his taxes are high, standing alone and left to such preventive suggestions as may then be made, he is left without forceful remedy. That same experience has demonstrated that some united effort, made from a common source in behalf of all taxpayers is the only sort of effort which will tend to keep public expenditures within economical limits, and still obtain the desired efficiency in all public activities.

Efficiency Follows Open Discussions

That which is everybody's business is nobody's business, is an old and homely saying which quite fully states a situation that pertains to public matters of taxation, expense and expenditure. Taxpayer's associations have come to be recognized in nearly every state in the Union as filling an important position as between the public and the administrative and executive officers of the public, by making it the business of such associations to investigate, follow up, and comment upon financial matters of public concern. Those associations which have the active support of the taxpayers, and in the interest of best results for all concerned, take up questions involving expenditures—proposed and purposed—and go into the merits thereof, viewed in the light of public efficiency and

present expediency, do make public business the immediate concern of an organization, which when it does speak, commands the respect of its hearers, even though all may not agree with positions taken by that organization.

Publicity is necessary to any question whatsoever upon which public action is desired. The work of Taxpayers' associations is not necessarily a work of criticism, it can be and become one of strongly constructive effect. Freely discussing the general question of efficiency, illustrating the manner in which efficient business methods may be applied to public business as well as to private, will sooner or later so shape public opinion, that such action will follow that efficiency will become a matter of course.

If with public opinion shaped towards a most efficient efficiency in the handling of public finances, and those methods applied thereto, naturally all possible economy in use of public funds follows as a necessary consequence. The doing of the thing to be done, in the simplest manner possible to a desired result, is efficiency. The payment of the cost of so doing is a necessary payment. Public economy cannot be carried beyond the point of paying the cost incurred in doing each necessary public act in an efficient manner, unless it be in connection with decreasing the acts to be done, by eliminating those not productive of real benefit to, or conducive to results towards principles of government included within the phrase: "general welfare of the people."

Open Discussion Brings Uniform Action

There is no doubt as to the power of the legislature to provide by taxation to meet each and every authorized public expenditure, whether the authority to spend is vested in state, county, city, school district, or other municipal officers. Many times there comes up questions as to just what power and authority has been delegated to such officers. Questions as to powers which are expressly granted by specific language

in some legislative act, and questions as to what are and are not implied powers arising in connection with powers expressly granted, to those officers. Where these questions do arise, each officer, board or commission, solves them according to the best of their ability, acting upon such advice as may be available. Consequently, in different parts of the state, different constructions have been given, and officers actually clothed with the same powers and duties under an identical act of the legislature, exercise and perform under widely varying ideas as to what may be rightfully done thereunder. Immediately connected with the full power of the legislature to provide for taxation to meet authorized expenditures under powers granted and given to expend public money, are many limitations provided by legislatures to safeguard the public against an assumed excessive use of power to create public liabilities and expend public money. Uniformity as to the extent of powers and uniformity as to matter of limitations upon those powers is highly desirable. Taxpayers' associations, statewide in their efforts, take up fairly and fearlessly the solution of such questions as mentioned above, and do so to the end of a proper solution thereof. Not to avoid taxation so far as the law permits it, but to so determine the respective rights of taxpayers and the public, that each be given in full, that to which each are entitled under the law. If a taxing body does exceed its powers, and levies an unlawful amount of taxes, the fact that it does so, opens the door to an escape from payment of those taxes. If the taxing bodies are given the benefit of court decisions, of fair and impartial advice as to their powers and the limits to those powers, and have a chance to act in the light of the experience of other bodies acting under similar circumstances, the chances are that the result of an exercise of their powers to tax, will be entirely proper, that no room will be given for

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS' ASSOCIATION OF ARIZONA

Subscription February, 1918 50 cents per Year

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NAVAJO COUNTY SCHOOL STATISTICS

The table below shows an increase from 50 to 54 schools in Navajo County. Shows an increase in numbers of pupils enrolled from 1786 to 1930. Shows an increase in daily average attendance from 1819 to 1417. The total receipts for school purposes increased from \$73,180.75 to \$89,138.65. Teachers' salary account increased from \$41,706.86 to \$47,880.52. The incidental expenses of maintaining the schools increased from \$14,854.00 to \$23,684.00. The gross increase in maintaining all schools amounted to \$15,201.55. These increases are in amounts given in table as compared with figures of the previous school year.

Spreading the increased cost over the number of schools in latter year as compared with prior year, we have an average cost of \$1325.00 per school as compared with \$1127.27. The average cost per pupil of latter year—based upon daily average attendance for the two years—shows an increase per pupil of the difference between \$42.88 and \$50.05, or \$7.12 per pupil as an increased average cost in latter year.

At the beginning of the school year,

1915-1916, there was a balance unexpended in school funds throughout the county of \$8,043.89. At the end of that year there was a balance of \$16,634.76. The year's balance for year shown in table is \$17,628.89. A portion of this balance was considered by the county board of supervisors in making up the school budget for the present year, deducted from amount of estimated cost of maintaining the schools, and it is expected that steps will be taken to gradually reduce the amount of these idle funds.

The comparisons made above are given from the figures as shown by official reports. There is no intent to criticise, the result, nor to offer any suggestion as to whether the increases were necessary or not. Those are questions to be considered by the people of the county, having the figures before them.

MISCELLANEOUS STATISTICS

Cost of Supervision

Salary of County Super.\$1425.00

Amount paid Superinten-

Navajo County School Statistics

Navajo County Receipts for Maintenance of Schools

Dist.	No. of Schools	GRADE	Total	Average	Bal. on Hand	By Cash	Total	Bal. on Hand	
No. Name	in Dist.	Gram mar	No. En-rolled	Daily Attendance	Beginning of School Yr.	From School Taxes for School Bldg.	Receipts	at close of School Year	
1 Winslow	15	6	9	787	587.	\$5661.48	\$2789.89	\$32331.37	\$3480.24
2 St. Joseph	2	1	1	62	48.25	1122.61		3162.61	744.82
3 Holbrook	5	2	3	224	156	559.65	4945.39	12185.04	2927.87
4 Woodruff	2	1	1	44	31.21	793.81		2593.81	877.53
5 Snowflake	5	2	3	185	153.25	3390.41		9630.41	4128.32
6 Taylor	4	2	2	135	113.96	2100.36		6780.36	2117.19
7 Showlow	1		1	15	11	186.94		1116.94	222.08
8 Pinetop	1		1	37	18.32	733.76		1633.76	635.37
9 Pinedale	2	1	1	40	28.32	23.76		1743.76	11.47
10 Showlow	3	1	2	85	65.33	743.16		3463.16	901.20
11 Walker	1		1	22	18.	163.53		1133.53	213.83
12 Dry Lake	1		1	15	12.50	157.12		1127.12	258.19
13 Fort Apache	1		1	35	20.50	157.91		1247.91	394.96
14 Silver Creek	1		1	21	11.70	43.27		973.27	71.74
15 Shumway	1		1	39	24.55	253.36		1293.36	122.11
16 Lakeside	2	1	1	50	39	232.24		1912.24	111.99
17 Water Canyon	1		1	10	8	65.10		915.10	157.83
18 Manila	1		1	33	13		308.61	1198.61	51.09
19 Linden	1		1	24	13	Red. 18.52		900.00	RED 30.75
20 Whiteriver	1		1	19	13.80	19.64		869.64	RED 43.40
21 Day Wash	1		1	11	8	168.70		1018.70	88.01
22 Jappa	1		1	14	10	57.95		907.95	65.78
23 Woodrow	1		1	23	12.90			1000.00	47.27

54 17 37 1930 1417.59 16634.76 \$8043.89 \$89138.65 \$17628.89

dent Back Salary	225.00
Office supplies & traveling expenses	231.00

School Districts

Total number school houses owned by Districts—15	
Number school houses rented by districts—10.	
Seating capacity of school houses in County—2,000.	
Number of new districts organized—1	
Number of school houses erected—4	

District Bond Issues

Winslow No. 1, \$9000.00 on valuation of \$2,942,430.00.	
St. Joseph No. 2, \$10,000.00 on valuation of \$1,076,784.00.	
Holbrook No. 3, \$36,000.00 on valuation of \$2,556,366.00.	
Lakeside No. 16, \$5000 on valuation of \$110,154.00.	
Number of teachers employed—68.	
Average salary paid monthly to men—\$127.40.	
Average salary paid monthly to women—\$88.94.	
Total no. 6-21 as per census—2647	
Total no. 8-16 as per census—1743	

SUPPLEMENTAL**Receipts**

Total balances on hand beginning of school year	\$16,634.76
--	-------------

Amount received from Apportionments	64,460.00
Amount received from District Taxes for maintaining schools	8,043.89
Total receipts for school maintenance	89,138.65

Disbursements

Paid for teachers salaries.....	\$47,880.52
Paid for supplies (chalk, paper, pencils, pens, ink, etc.)	13,374.77
Paid for fuel, light, water....	193.15
Paid for janitors' services.....	4,313.02
Paid for repairs	563.14
Paid for furniture.....	861.62
Paid for school apparatus....	2,046.10
Paid for libraries.....	510.70
Paid for rents	1,590.91
Expenses for taking school census in county.....	230.85
Total expenditures for school maintenance	71,565.39
Overdraft	55.63
	71,509.76

Balance on hand—total receipts minus total disbursements	17,628.89
--	-----------

Building School Houses

Amount raised by sales of bond on hand July 1, 1916	\$22,849.72
Amount raised by sales of	

bonds for building school houses during year	56,725.59
TOTAL	79,575.31

Amount expended for building purposes during year..	52,583.84
Balance in building fund.....	26,991.47

Valuations

Valuation of lots, school houses, and furniture	\$150,265.00
Valuation of school libraries	3,507.00
Valuation of school apparatus	9,154.00
Total valuations of school property	162,926.00

General Statistics

Number of teachers employed in county, Male—15; Female—53; Total—68	
Average number of months school was maintained during the year—8.13	
Number of volumes in school libraries—4692	

SPECIAL TAX LEVIED**Grammar Schools**

Winslow No. 1, \$2,789.89 at rate per \$100.00, 10c for kindergarten purposes.	
Holbrook No. 3, \$3,945.39 at rate 20c for maintenance.	
Manila No. 18, \$308.61 at rate 10c for maintenance.	

High Schools

Winslow No. 1, \$11,339.47 at rate of 40c per \$100.00 for maintenance.	
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Navajo County Expenditures for School Maintenance

	Cash Paid Supplies Chalk, etc.	Cash Paid Fuel, Light & Water	Cash Paid Janitor Services	Cash Paid Repairs	Cash Paid Furniture	Cash Paid Apparatus	Cash Paid Libraries	Cash Paid Rents	Cash Paid Census Marshall	Total Expendi- tures
54	\$7161.36		\$2228.92	\$353.72	\$224.60	\$104.578	\$440.80	\$866.41	\$35.00	\$28851.13
00	58.99	\$49.55	64.35	48.02	34.40	440.98		46.50	45.15	2417.79
98	2119.04		678.00						8.85	9257.17
00	243.43		64.00						35.10	1716.28
50	705.49		224.00						24.00	5502.09
00	1443.17		176.00						5.75	4663.17
50	125.61		30.00						6.00	894.86
00	128.39		64.00		38.40	200.00			7.00	998.39
00	134.89		72.00						9.00	1732.29
00	246.96	50.00	96.00						5.00	2561.96
00	34.70		80.00					80.00		919.70
00	25.33	20.60	48.00				15.00	120.00		868.93
00	42.95		90.00						5.00	852.95
00	68.53	20.00	48.00					80.00	5.00	901.53
00	198.20		40.00			128.05			5.00	1171.25
00	201.66					163.59		30.00	5.00	1800.25
00	34.96		38.75	1.50		35.06	2.00	40.00	5.00	757.27
00	94.24			93.95	313.92				5.00	1147.52
00	62.63		63.00	5.00	132.20		14.40	70.00	5.00	912.23
00	97.09	38.00	40.00	52.95					5.00	913.04
00	46.45		40.00		16.10	32.64	28.50	82.00	5.00	933.69
00	15.17	15.00	48.00	8.00			10.00	96.00	5.00	842.17
00	85.73		80.00		102.00			80.00		952.73
52	\$13374.77	\$193.15	\$4313.02	563.14	\$861.62	\$2046.10	\$510.70	\$1590.91	\$230.85	\$71565.39

The Quasi Public Functions of Taxpayers' Associations

(Continued from Page Three)

any subsequent attack of a tax levy, and perfect harmony of action and feeling as between tax levying boards and the tax-paying public and its members, will exist. If all questions as to validity of proposed actions which lead up to taxation, may be properly answered before any action is taken, all subsequent uncertainty is eliminated. Taxpayers' associations undertake to bring about just such results.

The question may be asked as to what difference it makes whether more or less public money is spent, how is the public concerned with the matter of necessary taxes to enable those expenditures to be made. One answer is that all thrifty persons abhor waste wherever it occurs. This answer is a sufficient reply to the

question under ordinary conditions and in ordinary times. **But these are war times.** Every citizen is asked to buy liberty bonds, to invest savings in thrift stamps, to economize their demands upon the food and industrial productions of the country, to help win the war. Under actual conditions now existing, the usefulness of taxpayers' associations is more apparent than before. If such an association can point out wherein public money may be saved from expenditure. Point out roads to immediate and future economies in public finances. Point to an elimination of the unnecessary in any line, or proposed line, of public activity. If an association does these things, it then becomes an active agent in conservation. Its activities will and do result in lessening the amount of taxes, directly increasing net amounts upon which to compute war revenue income taxes. In addition to this direct result, and in other

ways, it conserves energies which might be unnecessarily used in connection with activities in themselves also unnecessary to public welfare.

The maxim of "economy in public expenditures so far as consistent with proper efficiency," by Taxpayers' associations applied to all matters of public finances, and applied to every incidental matter of public concern leading up to expenditures and in consequence to increased taxation, becomes a maxim as potent for general thrift, general conservation of money, public energies, and the like, as any other of the many organized efforts of the present day. The idea starts a step closer to the people than many others. The campaign of such associations is at all times to bring about a possible saving of the earnings and incomes of the people, thus making possible additional support to war funds as a result of what is thus saved.

CONSERVATION RETARDED

THIS Magazine has spent several years in an endeavor to call attention to the fact that the cost of State government has been and continues to be more and more expensive with each year. Has called attention to the fact that while there has been marked changes in ideas of modern efficiency as applied to every other line of endeavor—private business, and privately conducted public utilities—ideas which have a general trend towards cutting out unnecessary expenses incident to "running the business" all to the end of lessening the cost to the public of charges for service of such utilities—those unnecessary expenses directly connected with the management of public business seem to have been overlooked, except that they be constantly increased.

Increases Not In Line With Conservation nor Economy

This Magazine has repeatedly called attention to the differences in this state as between a general fund for incidental and salary purposes of the last territorial year of a total of \$357,093.56, and the constantly increasing amount of that fund, as it has increased year by year, until it has now reached over \$1,000,000.00 for the present year. This Magazine has repeatedly called attention to the fact that the total revenues of Arizona for her last year as a territory was only \$1,192,100.40, which has by constant stages of increases reached an amount of over \$4,400,000.00 as the con-

templated expenditures for year 1917-1918—the present year. This Magazine has in connection with both increases above referred to, suggested the closest scrutiny of all public expenditures and of all public expenses, that all unnecessary expenses, whether incidental to office, or due to the office as such, be eliminated. This Magazine has endeavored to point out, from time to time, general lines of unnecessary expenditure. Has suggested the combination of offices that duplication of services might be prevented. Has suggested the abolishment of worn out branches of public service, the duties of which have, in the main, been replaced in new departments. Has advocated such a survey of every office, in state, county, city, school district, and other branch of State government, that every conservation possible might be made, to the end of reducing public cost to the most economical amount consistent with an efficient manner of getting results.

Had the general public been as interested as our zeal in the matter may have deserved, Arizona would have been in a condition ready to meet any rule of conservation proclaimed from Washington.

Proper Economy at all Times Means Conservation

Had proper consideration been given to the real details of cost incident to government, there would never be any room for further conservation. The figures given above, and the general

figures with which all our readers are familiar all tend to show that no effective effort has been made, to the desired end of proper conservative limits to those costs. The fact of continually increased cost stares us in the face. It is a specter rising from habits of the past. That specter which controls long years of habit in the spending of public money. Habits of spending which have known no particular bounds. Habits which have permitted public whims to be satisfied, and satisfied regardless of drain upon the taxpaying public, and without reference to a resulting strain upon other resources, such as labor, materials and the like.

Conservation Orders Due to Lack of Economy

Today the people of this country are confronted with the effects of orders made—orders based upon imperative necessities growing from stern realization of actual conditions—that certain lines of industries be temporarily suspended, that other lines be entirely suspended. The reason for which order is, that the industries effected are not materially needed to the general welfare of the country, or, if needed at all, are of such minor importance, that a suspension will not be noticeable in the long run of events. Undoubtedly some of the occupations and industries effected are close to the border line as between those necessary to general good, and those not so necessary. It is safe to say, that had

the American people followed up the teachings of thrift passed along to them by the people of the thirteen original states, adopted those methods of thrift and economy, by which the pioneers of the west, made it possible that two blades of grass now grow, where none grew before, there would be no call for any stringent order suspending any operation whatever. There would not be a single extra spoke in the wheels of progress.

But getting right back to where this article started. —Let us ask ourselves the question as to where any efforts have been inaugurated to conserve public funds and the use of such funds in connection with ordinary civil government? Ask the kindred question of where any effort has been made to curtail the numbers of public employees? Any efforts at all towards what has been heretofore called "economy" but now comes under the head of "conservation," when applied to matters of local government? Where are those efforts? The answer seems quite ready. The efforts at such conservation are conspicuous by their absence.

Conservation is the keynote of the day's action. Truly applied to public affairs it requires the doing in each place of that specific thing which lessens the burden upon some other factor, public or private, that all may finally accomplish the task required of each. That united and altogether no energy be misapplied, or lost. An extra office carries an expense. That expense draws a contribution from the private persons who constitute the public. That expense lessens the ability of each private individual to contribute to war loans, war purposes, and war requirements. An extra dollar to be earned takes that much energy which might be devoted to other purposes. A dollar saved is two dollars earned. Proper conservation in connection with public funds, is no more and no less than proper economy at all times. The fact that so much seems to depend upon the fullest possible conservation in the present struggle for a world's liberty, requires of each public official that he remove the beam from before his eyes as to matters pertaining to his immediate office and official duties, make and practice the conserving of energies and moneys connected therewith, before pointing out the mote of conservation possible in some other quarter.

Charity begins at home. Start conserving right at home, show by example of action, rather than by suggested action, just how the other fellow may economize and conserve.

Buy War Savings Stamps

This Magazine was requested to publish in furtherance of the Thrift Campaign the following article:

Here's Chance To Get Fame As Artist Poster Campaign to Provide Suitable Drawings to Further Cause Of National Thrift

All school children in Arizona are eligible to compete in the national poster competition to promote the war savings campaign, now under way in this State under the direction of Miss Cordelia McLain, supervisor of art in the Phoenix schools.

Under the plans for the campaign, students of schools in all sections of the United States will enter into a competitive drawing contest. These drawings shall be made in the form of posters and must illustrate some strong point as to why we should be thrifty, help the government save money and assist in winning the war.

School students have been divided into three classes for the competition. Class A will consist of art school students, including day and evening schools and art schools. Class B will consist of high school students, including day and evening schools and classes. Class C will consist of seventh, eighth and ninth grade pupils, including junior high school pupils. Where there are only eight grades the ninth comes under Class B.

All competitors must be regular students in the schools included in the classes in which they are competing, and they may enter only one class. Not more than two designs may be submitted by a single individual. Under no circumstances may designs be worked on by instructors.

Designs may be in the following sizes, exclusive of the blank outside margin: 24x32 inches (long edge vertical,) 12x16 inches (long edge vertical) 9x16 inches (long edge horizontal.)

A margin not less than two inches wide should surround the designs which are vertical. Designs should be drawn in black and white or in color; if in color not more than four different colors should be used. One of these colors must be the particular blue to be noted on the W. S. S. already in use. Not more than two styles of letters should be used. In general, the poster or flat treatment of color should prevail. No name, word or mark exclusive of the design itself may appear on either the face or the back of the poster, except the

designer's symbol, which must appear only on the back with letter (A), (B), or (C), to indicate the class entered. The margin must be free from marks of any kind. The identifying symbol or word on the back of the design must not contain the initials of the designer.

The posters selected by competent judges as the best fitted to serve the purpose for which they are intended will be used by the government in the thrift campaign. Prizes for the best posters are offered as follows:

Class A.—First prize of 12 war savings certificates having a value of \$60.00.

Second prize of five war savings certificates, having a value of \$25.00. There will be two second prizes.

Third prize of three war savings certificates, having a value of \$15.00. There will be three third prizes.

In addition to the above, there will be three honorable mentions given in this class.

Class B.—First prize, eight war savings certificates having a value of \$40.00. Second prize of three war savings certificates having a value of \$15.00. There will be two second prizes. Third prize of two war savings certificates having a value of \$10.00. There will be three third prizes. In addition to the above three honorable mentions will be given.

Class C.—First prize of four war savings certificates, having a value of \$20. Second prize of one war savings certificate and 12 thrift stamps, having a value of \$3.00. There will be two second prizes. Third prize, 12 thrift stamps, having a value of \$3.00. There will be three third prizes.

In addition to the foregoing awards and mentions, a national jury will award a national prize of honor to consist of a ribbon. The highest of all awards will be given to a single individual in each class, who is necessarily a prize winner from one of the groups. Thus the nation's champions in poster designing among school students will be chosen.

W. S. S.

Questions and Answers

Q.—One of the towns of Arizona has the money raised from a bond issue for the purpose of acquiring an electric light and water supply system, now privately owned, title involved in litigation, and under foreclosure proceedings, how

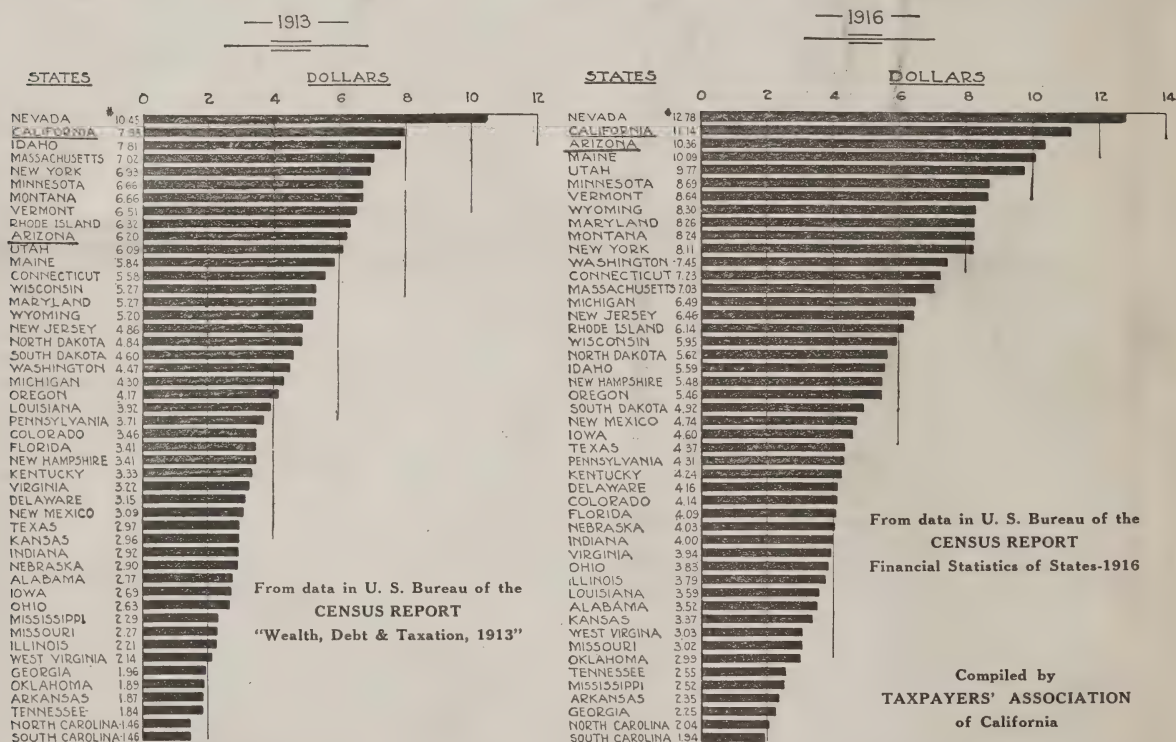
can the town become the owner of the property? Could its officers bid for the town at a sale by the sheriff, or must the town wait until all questions are litigated and then purchase of the adjudicated owner of the properties?

WE HAVE doubts as to the existence of authority in a town council, under which it could appoint an agent to be its bidder at a public sale of the property. It would seem that the discretion of the council as to amount to be paid, would necessarily be determined in a regular meeting of the board, and in such manner as not to fit the requirements of action in competitive bidding at a public sale. It is suggested that proceed-

ings for condemnation of the property is the only proper course to be taken under the conditions mentioned in the question. Referring to the statutes (Par. 3071-3097,) —Eminent domain is there defined as the right of the people or government to take private property for public use. That the right may be exercised as provided in those paragraphs. Included in the list of properties which may be taken are: "electric light and power transmission lines, reservoirs for collecting, storing, and distributing water for the use of the inhabitants of any city, village, or town, with private canals, ditches, flumes, aqua-

ducts, and pipes, for conducting water from natural water courses or bodies." Those same paragraphs provide for proceedings to determine the value of the property to be taken, and the damages to each owner, possessor, or person having an interest therein. In those same proceedings the rights and interests of conflicting claimants may be determined by the court, and the amount each is entitled from total value of what is taken. This may not be the only method authorized by law to acquire the property referred to, but the proceedings referred to are certainly proper and safe, and will bring results freed from private dicker-ing or contracting.

Increased Cost of State Government



While it is a well known fact that the cost of state government is rapidly increasing year by year. Increasing in aggregate amounts, as well as increasing out of proportion to the increase in population, just the amount of that increase, and just how out of proportion it is as compared with the actual per capita increase in the different states, becomes the object of a table which is submitted herewith, and which was prepared by the Taxpayers' Association of California.

The table gives the figures of per capita cost in each state for the year 1913 and 1916. It was originally prepared to show the per capita governmental cost payments in California as compared with all other states for the years mentioned. It bases its figures and illustrative lines of comparisons with respect to all payments by states for their expenses and outlays, less amounts which have been returned by reason of error or otherwise, for each year. It furnishes a basis for similar comparison

as between Arizona and the other states.

The figures show that in 1913, Arizona with a governmental cost and outlay of \$6.30 per capita was tenth from the top, advanced to third place in 1916, with a per capita cost of \$10.36. This shows an increase of \$4.16 per capita for the year 1916 over that per capita cost of 1913, also shows that in the period commencing with the year 1913, and closing with the year 1916, a percentage increase of 67 per cent was made.

1c. Paid
Phoenix, Ariz.
Permit No. 18

ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS' MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME FIVE

PHOENIX, ARIZONA, MARCH, 1918

NUMBER THREE

A Pyramid of Increasing Valuations of Taxable Property as it has Grown Since Statehood

1912-1913—\$140,388,191.08

1913-1914—\$375,862,414.66

1914-1915—\$407,267,393.11

1915-1916—\$420,532,411.96

1916-1917—\$486,406,518.56

1917-1918—\$697,526,619.68

*Since statehood assessed valuations used for levy of state and
county taxes have increased from \$140,388,191.08
for 1912-1913 to \$697,526,619.68
for 1917-1918*

An Increase of 496 Per Cent

EDITORIAL COMMENT

Liberty Bond Subscriptions The Test of Efficiency of Democracy in Government

DEMOCRACY as the term is now used in connection with the war issues, and applied to that right of the people to rule themselves as involved in the slogan "the world for democracy," means simply that collectively the people is the source of governmental powers, with the people at all times retaining the supreme power of action to governmental ends and purposes, except to the extent of that delegated to their representatives, and to the extent of that delegation of power the people consent to be controlled, by what those representatives do. The people of a democracy agree to respond to what those representatives require as immediately necessary to their welfare and protection.

The United States stands before the world as the greatest example of success in that form of government classed as a democracy. Government of the people, by the people, and for the people has been the underlying principle and base upon which from a struggling few thousands of colonists in the original thirteen states, imbued with the ideas and fired with the principles of a declaration of independence in 1776, has been constructed an ideal altar of liberty for mankind, to which, since then, the peoples of the world have looked for example, for help, and aid in efforts to throw off the yoke of monarchical rule, and erect similar altars for themselves.

Side by side with the growth of the United States has developed kaiserism and all that it stands for. No one thing has been more often used as an argument in favor of the latter than the claim that organization, supreme power of control, and unlimited power to shape the destinies of a people centralized in one man, speaks for higher efficiency. In fact that claim as to efficiency is about the only claim left upon which to base any argument in favor of monarchical and against democratic form of government.

In other words the prussian monarch surveys the result of what he has constructed and secretly exults in an idea that the people of the United States will not respond to the needs of that country at war, for reason of lack of efficiency

due to lack of organization with the one idea of war supremacy. Secretly that monarch scoffs at American ideas and scoffs at American methods of doing what the people want done. So often has he reached a blood-stained hand into the tills of his impoverished people; so often has he emptied the bins, and depleted the fields; so often has come to him examples of efficiency in his methods due to fear of his people as to the dire results to them of feeble remonstrance, that he can see no efficiency of result in action by a people inspired with a love of freedom and dominated only with a belief in the righteousness of an end to be accomplished.

He fails to recognize the powerful results of concerted action by one hundred million people, each acting as units to the one end. Each acting as a unit because he knows that the government of which he is a unit actor, stands as a greater unit of protection for himself and what he has acquired. Stands for the sanctity of fatherhood and motherhood. Stands for the stability of the homes of a free people, of which his home is one. Each acting and continuing to act for a perpetuation of democracy, as the one style and form of government under which is possible for him all that makes life worth living, and as the one form of government which in results continues to insure to him greater freedom of action than any other known form of government, and does so, notwithstanding that at times he may differ with his neighbor as to the immediate action to be taken to that same continued result.

The kaiser little appreciates the power which lies behind the government which acts under the name of the United States of America. That power which has its inception, which has its growth and its development, and which still exists in virtue of the firm belief of the people in the principles of liberty and of freedom of mankind. Little does he know that each one of that one hundred million of people to whom the American flag is an emblem of the blending into a means for united action by that people to perpetuate upon earth the principles sacred as such to each individual member of that people.

It is up to the people of the United States to show to the world at large and

the "Kaiser Bill," that an efficient people do not have to be driven into battle line. That a free people realize the essentials which are necessary to perpetuate that freedom and will voluntarily and individually, freely and willingly respond to requests from our representatives at Washington and take up the Third Liberty Loan. Each man as a man; every man and woman according to the amount of his property which enjoys the protection of our land of Freedom. Not to give but to loan. Loan, that it may later be returned to each that final equality be later worked out among our people. Our forefathers and our great grandmothers melted their pewter pots and kettles. Stripped linen sheets from their beds—Bullets for the enemies of freedom, and bandages for heroes wounded in the cause of freedom. No such sacrifices are yet necessary to put over any plan for helping win the present war.

An American public needs only to realize the necessity for doing a thing, and they do it. The Third Liberty Loan will be put over when each does all that he possibly can do in subscriptions to that Loan, before he thinks that he has done his bit. Democratic efficiency in governmental problems will again be demonstrated.

—o—

Pyramiding of Governmental Costs

IN the last issue of this Magazine on the title page was published the figures of state expenditures for the first year of statehood—\$1,629,381.73, and for the last closed fiscal year—\$3,305,035.30—from which it appears that the cost of state government has increased over two-fold during the five years of completed business of state finances.

On the front page of present issue is shown the increase in valuations of taxable property of the state for a period covering the same five years as to which expenditures were given in previous issue, the valuation figures show an increase of nearly five-fold as between the valuations of 1912, and valuations in 1917.

In the meantime state and county rates per hundred of valuation for assessment purposes remain at the same high or higher rates for present year as com-

pared with 1912 rates, notwithstanding the fact that with no more public functions to be performed by the various administrative departments of state and county, and with nearly five times the value of taxable property upon which to levy and collect revenues, taxpayers might reasonably expect the tax rates would decrease in some degree proportionately as those valuations have increased.

If it be true that the public business to be transacted has increased during the past five years, it is also true that the other sources of revenues—other than taxation have also increased. Civil business in our courts so far as it has increased, increases the amount of fees paid by litigants. The successful parties in litigation involving jury trials, pay the jury fees. If the business of the sheriff's and of the recorder's office of any county has increased, so has the fees of those offices likewise increased. In the state departments, if for illustration, the business of the corporation commission has increased, due to more incorporating of companies, the fees of that department have likewise increased. So in the office of the secretary of state, of the State Land Office, and the Supreme Court. In other words in those departments of state and county in which the amount of business to be transacted has increased due to the increase in prosperity and activities of the public to be

served, that same increase brings with it payment for itself in many instances. If due to criminal business of the courts the incidental expenses of county officers is increased, so in the same proportion has increased the fines and penalties collected and turned into the county treasuries. All of which would apparently tend to keep the amounts raised by taxation and to be used for purposes which bring no return in money, down to about the same level of amount year in and year out.

The fact remains that regardless of increased revenues from other sources, regardless of increased valuations of taxable property, the tax rates themselves, are also on the increase, rather than being decreased. The situation produced by the facts referred to is a serious situation. More serious at the present time due to necessity for war economy and conservation, than in normal times. The same situation is at all times a serious one, as at no time, and under no conditions at all, can any unnecessary expenditures of public money be excused.

The remedy for the situation is in the hands of the public. That public collectively and individually can if it chose so to do, lessen its demands for public service. That public can carefully weigh the prospective cost of a proposed public activity by it demanded of its administrative officers, departments, and

institutions, weigh what is proposed, in the light of, and with due respect to what it will cost. Can weigh what is proposed, its cost, and consider both in connection with some real necessity to public welfare at large, and with some real effect in increasing the public welfare of the people. Weigh all of these things and more elements which might be suggested, and do it all before demanding that certain things become a part of the public activities of government conducted and financed at public expense.

"Look before you leap." If the public at large ever expect to bring about a lessening of the public burdens of taxes, that public will do well to apply that old adage to each and every proposal it makes which will, instead of lessening public expenditures, increase them.

It is up to the public officials to curtail the incidental expenses of the offices to the minimum. It is up to the public to curtail demands for public services to a like minimum. The public by co operating with their officials and each honestly attempting possible economy in public matters, will bring about the very conservation of public money which is desired by all who have the real interests of the public in heart and in mind. It is by such co-operation that economy in public expenditures, so far as consistent with efficiency, may be effected.

PATRIOT'S WAR SAVINGS PLEDGE

THE United States War Savings Committee has circulated for individual signatures what is termed "Patriot's War Savings Pledge," worded as follows:

"In consideration of the services rendered by those who are sacrificing their lives for my home and liberty, and appreciating that my public duty calls for personal denial and self-sacrifice, I hereby pledge myself to assist my country in the conservation of its resources and manpower during the period of the war. I will devote some moments of every day to determine wherein I can personally save clothes, food, fuel, or other wealth. I will readjust, so far as I can, my method of living so as to reduce my personal demands requiring the labor of others in order that my country's full efforts may be exerted against our enemy. I will invest those savings effected by my self-denial in War

Savings Stamps, and hereby pledge myself to invest \$..... per week in such stamps."

In connection with the pledge for investment of savings in War Savings Stamps, it is made known to the people that it is expected that Arizona will raise at least \$20.00 per capita from sales of those stamps and "baby bonds."

The Pledge Is But The Text Of The Day's Sermon For The People

Read the pledge over carefully. Study its words until every one of them is committed to memory. You of our readers who are lodge members; you of our members who have announced your religious beliefs and accepted the benefits of any church or creed of faith; all of us, who in the past, have become members of any organization for mutual benefit of any nature whatsoever, know that every such organization has an organic creed or pledge of faith which is to be kept

with fidelity by its members. The foregoing pledge is offered by our government and a full membership of one hundred million is requested and expected. There is nothing in the pledge which may not be taken by any faithful citizen of the United States. When that pledge is taken, it then becomes the text of the day—the text of each day in fact—in part to control and guide our acts of that day. When that pledge is taken, it will become the supreme controlling rule of action by every American citizen for each and every day that passes in and out of the life of that citizen from now until the war is successfully terminated.

What Can I Do To Help Win The War?

This is the question which has confronted many of our people. The answer is in the pledge. You can save. You can reduce your demands upon the time of others by doing those little things which in the past has been demanded

(Continued on Page Six)

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS' ASSOCIATION OF ARIZONA

Subscription March, 1918 50 cents per year

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Address all Communications to the Secretary,
31 West Washington street, Phoenix, Arizona

Yavapai County School Statistics

For Year Ending June 30, 1917.

As in previous instances we publish below a statement taken from the annual report, and supplemental report of the County School Superintendent of Yavapai County, for the year ending June 30, 1917.

This county has forty-four school districts and shows an increase of six in the number of new districts organized during the year of the report given. The county employed one hundred and nineteen teachers during the year and paid out \$91,806.88 in teacher's salaries.

The figures which show the incidental expenses of the schools are well worth considering in connection with the number of schools of the county—eighty-eight—the daily average attendance of two thousand, one hundred forty-five. Taking the amount given as the aggregate amount of supplies, chalk, paper, pencils, pens, ink, etc., which amount is \$6642.34, it means over \$3.00 per pupil for this incidental for the year. The reports of that year given below has separated items which appeared under common totals in the previous year's report, which makes it impossible to

give comparisons of increase and decrease in expenditures as between the two years.

Thus far the review of the school statistics which has been given of several counties discloses the fact, that conservation of expenditures might follow from the voluntary action of the pupils of schools. It appearing in those districts where figures could be generally compared, that the increased expenditures have been due to increased use of school supplies by the pupils. When our current reading discloses the fact that many large business concerns are looking to their incidental expenses, to the use of pencils, pens, paper, blotters, and like office supplies. That these same concerns are encouraging and providing "extension tubes" that pencil stubs may be used to their extreme limits of usefulness.

That these concerns are doing all these things, not only in the interests of economy, but as a means of conserving the productive energies of the country. A great deal is being said and written, and more can be said along lines of encouraging Thrift Stamp sales, clubs in our schools and the like. An incidental line of thrift teaching might be along the line of individual saving by the pupils. Such money as might thus be saved, would mean just that much less taxes for the parents to pay. Leaving more money available to pupils from their parents which might be available for "Baby Bond" purchases in Thrift Stamp Clubs in those schools.

In addition to the above suggestions, it hardly seems necessary to urge upon school officers the necessity of advising themselves of the requests which are be-

Yavapai County School Statistics

Receipts for Maintenance of Schools

District No.	Name	Number of Schools In District	GRADE	Total No. En-rolled	Average Daily Attendance	Balance on Hand Beginning of School Yr.	By cash from School Dist. Taxes for School Bldg	Total Receipts	Balance on Hand at close of School Yr.
1	Prescott	2	x	733	476.81	\$ 59.27		\$28,269.27	\$153.38
2	Simmons	1	x	9	6	356.42		1,206.42	57.38
3	Clear Creek	1	x	46	27.72	223.65		1,778.65	27.38
4	Sycamore	1	x	14	10.1			900.00	5.18
5	Octave	1	x	30	7.35			900.00	5.18
6	Cottonwood	1	x	91	42.	293.37		2,818.37	95.38
7	Walnut Grove	1	x	13	6.64	463.49		1,363.49	62.38
8	Middle Verde	1	x	21	13.7	74.99		1,104.99	13.38
9	Jerome	2	x	759	513.2	59.98	\$3,895.37	31,805.35	18.38
10	Pleasant Valley	1	x	15	9.03			915.00	12.38
11	Miller Valley	1	x	62	37.6	182.16	788.73	2,775.39	33.38
12	Walker	1	x	19	14.34	651.23		1,626.23	56.38
13	Stoddard	1	x	22	8.4			900.00	13.38
14	Cherry (Oak Ridge)	1	x	25	15.4	257.59		1,257.59	27.38
15	Skull Valley	1	x	34	22.14	90.31		1,309.81	34.38
16	Oak Creek	1	x	53	26.45	206.00		2,043.50	34.38
17	Congress	1	x	50	30.88	1979.52		4,449.52	177.38
18	Dewey	1	x	56	32.34	644.76		3,185.76	95.38
19	Mint Valley	1	x	16	7.9	114.85		1,014.85	17.38
21	Bule Bell	1	x	17	12.4			900.00	7.38
22	Humboldt	1	x	163	124.9	1721.00		6,424.71	110.38
23	Kirkland	1	x	21	13.42	269.40		1,199.40	20.38
24	Senator	1	x	13	8.	108.37		1,008.37	6.38
25	Yarber	1	x	19	11.67	141.60		1,014.10	27.38
26	Beaver Creek	1	x	19	14.81	459.68		1,417.18	51.38
27	Bed Rock	1	x	13	8.99	597.07		1,447.07	67.38
28	Camp Verde	1	x	116	66.7	320.88		4,943.38	88.38
29	Clarkdale	1	x	412	259.95	3650.89	4,755.10	22,483.49	731.38
30	Fair Oaks	1	x	10	8.86	297.58		1,197.58	16.38
31	Ash Fork	1	x	62	28.4	304.99		1,372.49	Red 7.38
32	Granite Mountain	1	x	13	9.07			900.00	16.38
33	Cedar Glade	1	1	33	14	10.10		905.10	8.38
34	West Verde	1	x	22	12	493.34		1,438.34	42.38
35	Thompson Valley	1	x	22	9.83	401.81		1,301.81	33.38
36	Jerome Junction	2	x	70	33.8	46.95		2,329.45	26.38
37	Wagoner	1	x	28	8.1	183.98		1,033.98	20.38
38	Nelson	1	1	30	11	886.42		1,736.42	95.38
39	Groom Creek	1	x	17	13.44	193.11		1,100.61	13.38
40	Seligman	1	x	88	53	433.29		3,513.29	72.38
41	Crown King	1	x	43	22.8	338.77		1,368.77	27.38
42	Middleton	1	x	15	10.8			900.00	9.38
43	Mayer	2	x	100	55	1171.86		6,241.86	321.38
44	Willard	1	x	33	18	200.60		1,249.11	43.38
45	Squaw Peak	1	x	18	9.19	164.56		1,064.56	25.38
				3465	2145.08	\$16350.05	\$9,439.20	\$158,115.26	\$2776.38

ing sent out by government officials. These requests speak for economy in all lines where possible. It is up to the local officers to so act that those requests become effective as to matters in charge.

MISCELLANEOUS STATISTICS

Cost of Supervision

Salary of County Super.	\$1916.71
Traveling Expenses	247.70
Salary of Deputy Super.	359.50
Expense for postage, Ex-	
press, meeting of Co. Supt's..	127.75
Phone and Telegrams	62.63
Office Supplies	355.77
TOTAL	\$3070.06

School Districts

Number of districts organized—6
Number of districts lapsed—1.
Number of school houses erected—2.
Total number of school houses owned

by districts—15.

Average salary paid monthly to men—\$138.08.

Average salary paid monthly to women—\$91.85.

Number of teachers employed—119.
Total number 6 to 21 years as per census—4282.

Total number 8 to 16 years as per census—2573.

Bonded Indebtedness of Districts

Prescott No. 1, total bonds, two issues, \$53,000.00.

High School—\$95,000.00

Jerome, No. 9, Bonds \$25,000.00

Miller Valley, No. 11,—\$5800.00

Skull Valley, No. 15—\$2500.00

Oak Creek, No. 16—\$1600.00

Camp Verde, No. 28—\$4,000.00

Clarkdale, No. 29—\$45,000.00.

Ash Fork, No. 31—\$5,000.00.

Seligman, No. 40—\$5,000.00

Mayer, No. 43—\$10,000.00.

Total amount of Bonds—\$251,900.00.

Building School Houses

Amount raised for building school houses during year, Balance	\$ 6,065.48
Amount raised by sale of bonds for building school houses during year	8,321.03
TOTAL	\$14,386.51

Am't expended for building purposes during year 11,515.61
Balance in Building Fund.... 2,870.90

Valuations

Valuation of lots, school
(Continued on Page Eight)

Yavapai County Expenditures for School Maintenance

Cash Paid Teachers' Salary	Cash Paid Supplies (chalk, paper, pencils pens, ink, etc.	Cash Paid Fuel, Light & Water	Cash Paid Janitor Services	Cash Paid Repairs	Cash Paid Furniture	Cash Paid School Apparatus	Cash Paid Libraries	Cash Paid Rents	Cash Paid Census Marshal	Total Expenditures
\$16,256.25	\$3037.22	\$2803.55	\$2374.90	\$1946.91	\$ 64.23	\$ 45.91	\$112.41		\$ 95.00	\$26,736.38
480.00	15.10	14.00	30.00	72.89	20.05					632.04
1,180.00	42.12	23.50	43.75	159.10		48.05			8.55	1,505.08
755.00	95.91	3.00	45.00							898.91
720.00	37.95	17.20		5.00	11.30			42.50	6.75	840.70
1,620.00	37.45	33.50	97.20	55.29			1.90		14.40	1,859.74
715.00	7.52	10.00	5.00						5.00	742.52
720.00	30.66	28.00		130.25	50.31		3.96		8.55	971.73
20,307.53	4338.73	1611.17	2078.00	431.62	541.49	113.97	92.60	1961.64	139.50	31,616.25
695.00	12.40	25.50	40.00	14.50					5.00	792.40
1,700.00	220.20	141.23	87.50	6.55	267.67				12.45	2,435.60
810.00	42.33	22.60	45.00	6.00	2.00		7.00	125.00	5.00	1,064.93
640.00	32.26	6.00	40.00	14.08	32.85					765.19
810.00	33.01	23.45	45.00	4.00	11.05		2.75	54.00		983.26
694.00	144.82	34.95	50.25	263.29	99.38		14.62		8.50	1,309.81
1,221.25	66.00	34.00	93.50	175.37	96.94				10.50	1,697.56
1,620.00	377.12	102.00	180.00		28.29		38.70	315.00	10.65	2,671.76
1,863.75	84.85	15.00		6.00	250.00				9.45	2,229.05
722.50		20.00	57.50		38.65					838.65
810.00		12.95					4.61			827.56
4,450.00	220.00	267.32	168.00	47.12	83.19	5.60	42.00		36.60	5,319.83
775.00	18.00	22.45		103.79	73.75				5.00	997.94
810.00	46.00	13.88	50.00	18.50					5.00	943.38
680.00	10.00	21.40		4.50	16.00				5.00	736.90
680.00	36.00	22.40	40.00				1.80	120.00	5.00	905.20
680.00		28.10	45.00	10.00					5.00	768.10
2,819.97	131.90	328.60	87.00	32.25	645.18				16.20	4,061.10
10,609.38	605.43	1,132.03	1235.00	558.33	373.99	174.74	271.15	112.50	96.90	15,169.45
765.00	16.00	41.05	40.00	165.30					5.00	1,032.35
900.00	71.35	91.85	90.00	282.15		3.03	2.25		8.60	1,449.23
720.00	6.00	7.80							5.00	738.80
640.00		12.75	40.00	13.49	9.25			109.00		824.49
850.00	12.00	29.45	48.50	74.05	39.38				5.00	1,013.38
810.00	9.00	17.54		88.17	41.00				5.00	970.71
1,800.00	20.31	25.46	45.00	4.70	165.33				8.10	2,068.90
787.25	16.85	12.88		2.18	3.75				5.00	827.91
640.00	18.00	11.34	40.00		29.21			35.00	4.20	777.75
765.00	30.00	15.85	45.00	96.83	10.50				5.00	968.18
2,000.00	182.25	96.07	85.00	207.16	214.07				5.00	2,789.55
895.00	55.50	9.62		98.00	30.99				7.95	1,097.06
680.00	3.60	36.55	40.00		39.92				5.00	805.07
2,375.00	124.50	178.39	208.00	42.98	2.00		86.20		14.55	3,031.62
700.00	27.00	21.35	40.00				25.00		5.00	818.35
680.00	14.00	70.09	37.50				11.87			813.46
\$91,806.88	\$6642.34	\$11,183.77	\$7696.60	\$5,140.30	\$3290.78	\$391.30	\$718.82	\$2874.64	\$602.40	\$130,347.83

Patriot's War Savings Pledge

(Continued from Page Three)

by custom, and done for us by others. The power of labor spoken of as a unit power is the one essential power needed to the success of American arms in the struggle for universal liberty of mankind. That power, directed to that end, backed up by the concentrated energies of one hundred million people, each doing his or her bit towards lessening demands not directly tending to war success, makes for the greatest efficiency and makes for the maximum effectiveness in efforts of our government to prepare, equip, maintain, and continually support those soldiers and other workers actually on the way to the field of battle, or now laying down their lives to stem the crazed mobs of Huns who still bow their heads to autocratic kaiserism, and battle blindly for an attempted victory which to them will mean continued slavery to the dictates of militarism. We can do our bit. We can wear our old clothes, if the wearing of them speeds waiting troops to a place in battle line. Our women, and men too, can knit socks, for the soldiers, and darn their old ones for those at home. By our individual actions, done in fidelity to above pledge, we can make it the "style" of the day to wear simple clothes, less expensive ones, wear them a greater length of time. We can forget the change of attire which usually follows the change of seasons. We can adopt a new season of change—regulated by the wearing durability of what we have. We can, if we will, quit asking ourselves the question of what we can do. We can quit raising any mental issue as to the good to be accomplished by the carrying out of the pledge. Abolish the thought of "what's the use" and replace it with thoughts, each day, of how we ourselves can save, and how we can, by doing things for ourselves, reduce our demands upon the time of others. The soldier in the front line of battle may not know why his advance against the enemy fire will help win the battle of the day. The emergencies are such that explanations cannot be made by the commanding generals. That soldier is trained to obey without question. The American people are told by the men chosen to lead and control their action, that it is necessary to save,—save food, save clothes,—save the energies of others. The situation is such that we, as a people, are in duty bound to accept that request as quickly, and act upon it as faithfully as we expect the soldier in the front line of battle to act upon general orders to advance. We, the people of the United States, are the government which

we are called upon to assist and support. The pledge which is suggested is one deemed a necessity. Deemed as a necessity by those whom we, as a people, have selected to act for us in carrying out our ideas of freedom, liberty, and universal righteousness for mankind. We are merely acting for self-protection in fact, when we take the pledge.

Fidelity To The Pledge A Personal Problem

We have thus far been put upon our honor, as to the manner in which as a people, we may effect a conservation of food, clothes, and energies. Other countries in the war have been forced to adopt a "bread line," "ration ticket," and like methods, not for conservation, but due to actual scarcity of the bare necessities of life. Our government is looking ahead. Our leaders are telling us that simple and practical economies adopted by and adapted to the daily life of our people, will prevent actual scarcity, want and privation in the near future. The main idea of present necessity is embodied in the word "SAVE." Just how each one of us shall bring that idea into play, just how the pledge will be executed with patriotic fidelity to its real meaning, becomes a matter of individual solution. It is said of the American soldier that he is the greatest soldier in the world, due to individual initiative. That given a task to perform, his personal mentality enters into the doing of, and it is done. The American people have been placed upon their honor. They have been assigned the task of saving to win the war. They are asked to take the pledge to save for that purpose. The general orders are in the shape of requests. The honor of the American people is at stake in connection with the performance of that request to save. Each one of us in our own way can see to it that an honorable patriotism can be maintained and preserved by a free people, by each doing our bit to the required end.

Success In Savings A Lesson As To Effectiveness of Government Of The People, By The People And For The People.

The fact that liberty loans have been successfully put over the top by a free people; the fact that the industrial energies of the United States has been enlisted in the cause; the fact that every effort thus far requested of the American public to be made—has been made. All these facts are glowing evidences that a free people can act for themselves, evidences by example that universal freedom and self-government of the peoples

of the world is now an accomplished fact. The issue as between despotic government enforced by the whip, sword, and militant kaiserism, and what may result from the voluntary patriotism of a free people—the American people—is being tried before the eyes of the world in many ways. That issue is being tested in our war savings plans and requests. We are fighting for the freedom of mankind. Fighting for the principle of the rights of people to rule themselves. Fighting against the old and all-but-discarded idea of the divine right of kings to command any people against their will. We must win that fight upon every line in issue. We must win it on the battle lines of Europe, and win the same issue in the supporting lines at home. An issue of saving and economy has been put up to the American people as a request. Every individual is placed upon his individual honor to help put it over.

Our War Savings Pledge as Taxpayers

FROM the net incomes of the corporations of the state and nation, it is expected to reap over \$2,000,000,000.00 per annum of war revenues. From the gross revenues are taken the amount of other direct taxes imposed by state, counties and municipalities, as one of the amounts deducted in arriving at the net amount upon which to compute actual war tax each must pay.

Assuming an income—net—of five thousand dollars per annum, and starting with that amount, one per cent excess war tax is payable until the amount of net reaches \$7500.00. By gradual increases, the rate enlarges until upon incomes of over \$1,000,000.00 it reaches fifty per cent. The exact figures are as follows:

One per centum per annum upon the amount by which the total net income exceeds \$5,000 and does not exceed \$7,500;

Two per centum per annum upon the amount by which the total net income exceeds \$7,500 and does not exceed \$10,000;

Three per centum per annum upon the amount by which the total net income exceeds \$10,000 and does not exceed \$12,500;

Four per centum per annum upon the amount by which the total net income exceeds \$12,500 and does not exceed \$15,000;

Five per centum per annum upon the amount by which the total net income exceeds \$15,000 and does not exceed \$20,000;

Seven per centum per annum upon the

amount by which the total net income exceeds \$20,000 and does not exceed \$40,000;

Ten per centum per annum upon the amount by which the total net income exceeds \$40,000 and does not exceed \$60,000;

Fourteen per centum per annum upon the amount by which the total net income exceeds \$60,000 and does not exceed \$80,000;

Eighteen per centum per annum upon the amount by which the total net income exceeds \$80,000 and does not exceed \$100,000;

Twenty-two per centum per annum upon the amount by which the total net income exceeds \$100,000 and does not exceed \$150,000

Twenty-five per centum per annum upon the amount by which the total net income exceeds \$150,000 and does not exceed \$200,000;

Thirty per centum per annum upon the amount by which the total net income exceeds \$200,000 and does not exceed \$250,000;

Thirty-four per centum per annum upon the amount by which the total net income exceeds \$250,000 and does not exceed \$300,000;

Thirty-seven per centum per annum upon the amount by which the total net income exceeds \$300,000 and does not exceed \$500,000;

Forty per centum per annum upon the amount by which the total net income exceeds \$500,000 and does not exceed \$750,000;

Forty-five per centum per annum upon the amount by which the total net income exceeds \$750,000 and does not exceed \$1,000,000;

Fifty per centum per annum upon the amount by which the total net income exceeds \$1,000,000.

Carrying those figures into any computation which may be made connected with any of the various amounts of income used to determine the exact rate of income tax, and applying the result of local taxation—local as meaning state, county and municipal taxes—every extra dollar raised and spent locally means taking from one cent to fifty cents of that dollar out of revenues which would otherwise go to the support of the United States. Takes these respective amounts out of our war funds. In the case of railroads now operated under government control, it not only reduces the amount of war revenues, but increases the amounts which the government has agreed to pay that the net income of railroads during the war period be not less than the average net earnings for the three years previous to the war. Under

the latter phase of the matter, and as an indirect result of unnecessary state, county, or municipal taxation and expenditure, the amount so unnecessary becomes a matter for payment by the United States Government. These phases of the tax situation are ones to be considered by our citizens, with the insistent suggestion that every person, and all persons, no matter how little may be their contribution to either income taxes or the local taxes, read their war pledges in connection with each and every suggestion as to a public activity, which will result in increased taxation. That every citizen read their war pledge in connection with every demand they may have in mind to make upon the established activities of public government.

We have pledged ourselves that during the period of the war we will assist our country in the conservation of its resources and man power. That we will devote some moments of every day to determine wherein we can personally save clothes, fuel, and other wealth. We have pledged ourselves to readjust our methods of living so as to reduce our personal demands requiring the labor of others that our country's full effort may be exerted against our enemy. A faithful carrying out of the spirit and meaning of the pledges containing those general words, means that we, as citizens, will not only conduct our private affairs that a saving be effected where possible, but means that each of us devote our time, thoughts, and some moments of our daily time, towards conserving public energies, that local governmental activities may not be pushed forward into actual competition with necessary war activities and purposes of the nation.

"One dollar saved equals two dollars earned," is an old saying, which can well be injected into the real meaning of the words of our war savings pledge. It makes no essential difference whether the dollar be coin in fact, or dollar of worth which not saved must be reproduced.

The national government has announced the necessity for an individual campaign of saving. That campaign must be conducted along the lines of possible public economies, as well as private enterprises. The brains of the American public, when directed to a desired result, has always reached the goal. The suggestions of this article are made for consideration of our readers, that within the sphere of the purposes of this Magazine, the matter of economy in public expenditures, may be given an added importance in connection with the supreme necessity for economy

on all sides now presented to all patriotic citizens.

Questions and Answers

Q— What becomes of free textbooks after a school year ends, and the pupils pass into higher grades requiring other books? Do the books become the property of the pupils who have used them, or no?

Ans.—It is to be assumed that the state law covering the above question is carried out. That law, in substance provides that all books purchased under the provisions of the free text book law remains the property of the state; that the trustees of the district shall hold the pupils using same responsible for any damage to, loss of, or failure to return such books to the board when so required. The same law provides that whenever any pupil shall lose or destroy any book loaned under the provisions thereof, or if for any reason a pupil shall require a second copy of any book, then such pupil shall be required to purchase such book at his own expense. Also provides that books shall be fumigated before re-issued. These provisions answer the questions quite fully, and from it all appears the intent of the law to preserve the books for continued use of the school to whom they are issued, and to require that books shall be carefully used and not unnecessarily destroyed. If these provisions have been over-looked in any quarter, the present is a good time to bring them into use and application in line with policies of thrift and conservation.

Q.—Is it necessary that changes be made in text-books for the different grades of our common schools at any particular time. Does the law require changes of at least one text book for each grade every five years?

Ans.—This question has been before our readers and answered heretofore in the negative, but it may well be answered again at this time when every effort is being made to save funds and productive energies, on every hand. One paragraph of our state school law (2827) provides for a publication for bids on or before the twenty-fifth day of May in any year before the expiration of a contract for furnishing text-books. The contracts made require publishers to furnish the state of Arizona such text-books as referred to therein, "at prices which shall not exceed the lowest prices then granted to any buyer," and such

contracts are to be conditioned, "that should there be any decrease in the prices given to any one purchasing such books from the publisher, then the state of Arizona shall also have the benefit of such decrease in price;" that same paragraph provides that the state of Arizona may have the right to substitute and take special editions of essentially the same books adopted by it, at the same net price the same is sold elsewhere. Thus it appears that when a series of text books has once been adopted, if that series is afterwards improved, those improvements may be adapted to use in the schools from time to time, and older editions automatically dropped. After above provisions, comes a further provision which is quoted in full as follows:

"(2830) **Not more than one text book shall be changed in any one year** for any particular grade, and when such change is made, such text book as adopted must be continued in use for not less than five years."

This paragraph limits the power of the State Superintendent of public instruction in such manner **that he must not make changes exceeding one text book in each grade a year, but does not require him to make any change at all at any time.**

Yavapai County School Statistics

(Continued from Page Five)

houses & Furniture\$415,355.00
Valuation school libraries 10,270.00
Valuation school apparatus 13,818.00
Total valuation of School Property\$439,443.00

General Statistics

Number of teachers employed in county—Male 15, Female 104—TOTAL 119.

Average number of months school was maintained during the year—8.5

Number of volumes in school libraries—9,157.

Number of pupils promoted from eighth grade in county—142.

Special Taxes levied in Districts GRAMMAR SCHOOLS

Jerome, No. 9, to be raised \$3,780.00, Rate .014.

Miller Valley, No. 11, to be raised \$775.00, Rate .39.

Clarkdale, No. 29, to be raised, \$4,545.00, Rate .11.

HIGH SCHOOLS

Prescott, to be raised \$23,039.00, Rate .545.

Jerome, to be raised \$5,354.83 Rate .020.

Clarkdale, to be raised \$14,000.00 Rate .32.

SCHOOL MAINTENANCE

Receipts

	H. S. and M. T. S.
Total balance on hand at beginningschool year....	\$ 3043.01
Amount received from apportionments	
Am't rec'd from District Taxes for school maint.	42,424.07
Tuition and other sources	3,230.79
Total receipts for school maintenance	48,697.87

Disbursements

Paid for Teachers Salaries		116,004.38
Paid for supplies	24,197.50	14,958.89
Paid for Fuel, Light and Water	3,775.12	8,624.26
Paid for Janitors services	1,981.92	10,009.45
Paid for repairs	2,312.85	8,494.59
Paid for furniture	3,354.29	3,923.41
Paid for school apparatus	632.63	800.55
Paid for Libraries	409.25	1,038.92
Paid for rents	320.10	2,987.14
Expenses for taking school census	112.50	602.40
Total Expenditures	37,096.16	167,443.99
Balance on hand—Total Receipts minus Total Disbursements	11,601.71	39,369.14

DO
YOUR
DUTY

BUY
LIBERTY
BONDS

ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS' MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME FIVE

PHOENIX, ARIZONA, APRIL, 1918

NUMBER FOUR

Pyramiding of Values of Railroads Since Statehood

In connection with the figures given in last issue, showing the pyramiding of values of property for taxation purposes in the State, below is given the mileage and total valuations of standard gauge railroads of State for different years since Statehood

(Year)	(Miles)	(Valuations)
1912-13—1982—		\$28,512,434.20
1913-14—2229—		\$84,130,910.50
1914-15—2243—		\$90,204,403.50
1915-16—2286—		\$91,041,472.70
1916-17—2324—		\$91,982,622.00
1917-18—2325—		\$96,728,523.00

An Increase of Over 342 Per Cent

EDITORIAL COMMENT

SPECTATORS NOT WANTED

WE cannot safely rest upon our laurels, secure in the feeling that the Third Liberty Loan has been put over, with the thought in mind, that other similarly supreme efforts will be made, "when the time comes."

Eternal vigilance is the price of liberty. In the present struggle the American people must be at all time on their toes ready for the word go. In the present struggle there must be, and can be, no cessation in the work at home, that full support from "over here" be given to the allied forces "over there."

Organization of Entire People Over Here One Essential To Success "Over There"

No victory was ever won by not taking advantages of those traits of the enemy which contributes to a seeming strength of that enemy, and meet them in full, and surpass them if possible. Beat the enemy at his own game in other words. Organization has contributed more to the strength of the German forces, than has any other one thing. The American people must do likewise. Organization is the first element necessary to final success of our arms in the great struggle for liberty now being waged on the battle fields of Europe.

Unity of War Spirit of People Shown By 20,000,000 Subscribers to Third Liberty Loan

Three Liberty Loans have been put over by the American people. Each loan has been larger in amount than its predecessor. The glowing light which shines brightest as the halo of the last loan is that over twenty million subscribers put their names upon the honor roll for liberty. That marks significantly the fact that the American people are becoming fully aroused to the fact that it is their war which is being fought. That the success of that war depends in part upon the individual effort of every man, woman and child who share the benefits of our government of the people, by the people, and for the people.

Twenty million people joined as a unit towards the common end, at the time necessary towards success. That same twenty million will continue to support

that same cause until the bell of liberty rings the death knell of "kaiserism."

Rolls for Enlistment for Support of Our Army Will be Open Until Full 100,000,000 Have Enlisted

Twenty million people have enlisted in the common cause. Eighty and more million of people are still among the number of possible recruits to future efforts of financing the war. The vital question for each and every one of the entire one hundred millions of people who enjoy the protection of the American flag, is the one question of their individual contribution to the success which must be brought home from the battle scarred fields of France and Europe. The headline of this article is the text to be considered, applied, worked to, and dreamed with, by every man, woman and child of the whole one hundred millions. "SPECTATORS NOT WANTED."

To divert for illustration. The boches are advancing. Five thousand gun crews are standing behind their guns in the allied lines, waiting the order to fire into those advancing enemy troops. The order is given. The battle is on. From then on every gun speaks for itself. It is an individual of death dealing volleys until silenced by the enemy, until its ammunition is completely exhausted, or until its crew have made the supreme sacrifice—death for victory. No question is considered as to what any one of any other battery gun is doing. No question as to how many shells has been fired by any one gun. No question as to how long each gun continues in individual action. No question of comparative "bits" to be done by any. The one sole, commanding, controlling, and obeyed thought—that thought of final victory to our arms.

Win The War. Let Home Matters Await The Victory

Officers and privates fight to the common end. No question of class, rank or possible barrack differences as between soldiers, is permitted to stay the unity of action. That action necessary and to the utmost of possible human endeavor, possible, is taken by every sol-

dier to win that battle. Win, WIN, WIN. When the war is won, minor differences of opinion, minor enterprises, personal desires, and all the like, will have their turn for consideration at the proper time, and under proper environments. Will each in turn be handled with that calm deliberation which has heretofore laid the foundation for our civil government. But for the moment, for the time being, and for all the time until the stars and stripes are firmly planted over the trenches and that enemy's stronghold taken, no other thought is present in the soldiers minds but the one thought of winning that battle. They know full well that other battles must be fought and won. Win today's battle, that they may be stronger for tomorrow's fray. They do not stop with one success in the winning of one fight. They go on and yet on, ceaselessly, tirelessly, determinedly. They push on, fight on, wounded, they struggle on, knowing no individual defeat but death itself. Knowing no other end short of final victory.

This is but a feeble attempt to bring to the mind of our readers what is expected of our boys over there. This is but a feeble illustration of what our boys and the allied forces are doing over there. **On the battle field there is no room for spectators.** Every man over there stands ready to make the supreme sacrifice that the future world may be made secure for the liberties of its peoples.

But we are over here. We have put our flag over the success of a Third Liberty loan to which twenty millions of our people are now looking proudly as being individual contributors to that success.

There Must be no Diverting Matters For Attention of "Home Army" Until Universal Liberty is Attained

But the war is not over. The volunteer army at home must still be in constant action. They have before them, day by day, the demand for contributions to thrift stamp sales, little daily but always necessary skirmishes, so to speak, but necessary to the great end. That volunteer army of one hundred million people are called upon to lay aside all differences as to matters of

politics, all differences, if any there may be, as between masses and classes, as between labor and capital, that the united energies of all may be used towards perpetuating that liberty in a government of the people, which when perpetuated, will remain as the foundation stone upon which to build institutions and forms and processes of government, which are only possible when the people as a whole may calmly and deliberately so act, that to the greatest number shall come the greatest good that may be consistent with the rights and general welfare of all that people.

Eliminate "Prussian Poison" From The World by an Antedote of Real American "Pep," "Pluck," "Push," and "Perseverance"

There can be no spectators in the battle fields at home. The busy hive of the one hundred million has no room for drones. The time for idlers who are such from choice, rather than necessity, is past. There are crops to be planted, cultivated, harvested, and marketed. There are ships to build. The soldiers on the field must be supplied with food, with clothes, with guns and ammunition. Our allies need all of these, and their people need help in all lines. We, as a united people, must produce, provide, push and pull, to the utmost of a maximum energy in a massed body of one hundred million of individually aiding units that full provision be made to pro-

tect ideals of universal liberty from the poison of prussianism.

Every man, every woman, every child, can do something to build up such a complete organization to the end of success, that the kaiser will be beaten at his own game—that game of organization for war. Every man, every woman, every child, can do without some little thing. Can, if they will diminish their demands upon what they produce themselves, and diminish their demands upon the productions and energies of others. Economy and saving is not a question of finances, of ready money nor of earning capacity. Economy and saving of money, of material things, of energy, and in all ways, is a matter for individual thought, individual election and selection, always for individual action.

Wastage of daylight hours, with no one thing accomplished, mooning away other hours of the twenty-four in idleness, makes one not only a spectator to the present struggle, but an actual thief of the time and room of others. Such a waster must eat, must drink, must be clothed, and sleep somewhere. Again we say: "SPECTATORS ARE NOT WANTED."

We Have Done Well But Cannot Yet Rest

To those who have contributed willingly and patriotically to past demands

for energies, for money, and support of the cause by doing the many things which to their patriotic minds appeared necessary to be done, it hardly seems necessary to add, that the present is no time to quit. No time to rest on our arms. All must keep everlastingly at it, that none becomes spectators nor quitters.

Efficient Officials

EVERY dollar of taxpayers' money that may be saved by reason of lessened cost of local, county, and state government, is just a dollar more which will ultimately, and either directly or indirectly, become available for use by the government. That dollar will ultimately find its way into the treasury of the United States either directly due to subscription to bond issues, or indirectly and due to lessened deductions from gross incomes, and so by way of income taxes paid in.

An actual record for economy in office, will be a record which the people of this state will view with approval, with an approval more pronounced under the conditions of the times, than under less strenuous times and conditions. It is up to the officials to make that record for themselves.

Government Operation of Railroads as Affecting State and Other Taxes

IN previous issues of this Magazine articles appeared which went into some details as to the important part which the taxes derived from the railroads of this state plays in state, county, and city, finances. Several tables were published which showed the comparative relation as between the 1917 assessed valuation of railroad properties—\$96,728,523.00—and the total valuation of all property assessed for taxation in the state for the same year—\$697,526,619.68. That general comparison showing in result, nearly one-seventh of all the taxes of the state for state purposes, as paid by the railroads. A further showing that in some of the counties, cities and towns, as high as thirty-five per cent of local taxes, (county, city, and school district taxes,) are paid by the

railroads. These articles were written in anticipation of the possibility of action by Congress, which in its effect, might exempt railroads from taxation, during the period of the war, if for no longer.

Action which was finally taken by Congress did not, however, go to the extent of exempting roads from taxation, but did go the extent the practical effect of which in its bearing upon taxes, has been explained in a letter by Secretary McAdoo, recently addressed to the governors of all the states. The letter speaks for itself and reads as follows:

March 29, 1918.

"My dear Governor:-

"I write to ask your co-operation and the co-operation of the departments of the Government of your State, and of all subdivisions of the State, to see that

in the imposition of taxes and the assessment of property for taxation, most careful consideration shall be given to the fact that all State, County and City Taxes, lawfully and reasonably imposed upon railroads, will be borne by the Government of the United States during the period of Federal Control of railroads; and therefore, to see that the burden on the railroads be made as light as is consistent with the necessities of your State and its subdivisions. In this respect an entirely new condition exists. Heretofore railroad taxes have been paid entirely by the private owners of the railroads, but now these taxes will be paid by the Government of the United States because the railroads have been taken over by the Government as a war

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ARIZONA TAXPAYERS' MAGAZINE

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Government Operation of Railroads

(Continued from Page Three)

measure, and in order to insure the better conduct of war operations. Manifestly, in such circumstances, the imposition of unnecessary State and local taxation on the railroads will be an added burden upon the Government and a distinct impediment to the carrying on of the war.

"Because of the war conditions, it has become apparent that every unnecessary absorption of money, material and labor should be avoided, to the end that money, material and labor shall be applied to those things which are needed to carry the war to a successful conclusion. This applies to governmental activities, as well as private activities, and I earnestly hope that the Government of the United States will have the full co-operation of your State and of all its subdivisions in avoiding all public expenditures which are not absolutely necessary. This will incidentally make the tax burden less than it would otherwise be, but principally it will save for necessary war purposes great amounts of money, material and labor sorely needed for those purposes."

The letter is for the consideration of both branches of state and county government in charge of finances. It is an

appeal to those officers whose duty it is to fix the values of property for taxation purposes. It is also an appeal to those officers who arrange the expenditures for public purposes to be met by taxation.

The matter of any comparatively just reduction of the assessed valuation of railroads, comparative, in relation to values placed upon other property will be one not free from difficulty. On the face of the matter railroads must still be taxed at an amount which represents their cash values. The question of what that cash value is now, and what it has been considered to be in the past—so considered by the successive assessing officers and boards, will appear from the following table of values. The table

shows under distinct heads, the aggregate values placed upon railroads each year, commencing with the year 1900. The values range from \$4,330,829.80 in that year to \$96,728,523.00 in the year 1917. Since statehood the valuation has changed from \$28,512,434.00 in 1912 to the highest amount above in 1917. Part of this increase has been due to increased mileage assessed; but between 1916 and 1917, with approximately an unchanged mileage of roads, the values were increased from \$91,982,622.00 for the former year, to the \$96,728,523.00 for the latter—an increase of nearly \$5,000,000.00. Showing that railroad values have been increased along with increased valuations of other taxable property. The table referred to follows:

Year	Total Miles	Valuation of Railroads	Per Cent of Total Valuation
1900	No Official	\$ 4,330,829.80	12.8
1901	Figures	4,771,599.45	12.3
1902	from 1900	4,943,386.00	12.6
1903	to 1912	6,319,669.96	14.7
1904		6,677,349.21	14.8
1905		6,746,152.23	11.6
1906		9,224,727.92	14.8
1907		11,012,004.57	14.2
1908		11,299,457.57	14.0
1909		12,634,290.44	15.3
1910		13,224,292.04	15.4
1911		19,052,313.94	19.1
1912	1982	28,512,434.20	20.0
1913	2229	84,130,910.50	22.2
1914	2243	90,204,403.50	21.9
1915	2286	91,041,472.70	21.4
1916	2324	91,982,622.00	18.8
1917	2325	96,728,523.00	13.8

Should the assessing officers—State Tax Commission—arrive at new values of railroads for year 1918, the effect will be a uniform change in the burden of state taxes upon other property of the counties. That change of values will effect the several counties with no degree

of uniformity.

Some idea of the relation which railroads bear to county finances, a comparison of that relation in connection with the values of all property of the counties will appear in the table which follows:

County	Valuation of Railroad Property by Counties		Valuation of all Property By Counties	
	1912	1917	1912	1917
Apache	\$1,209,900.00	\$ 3,706,000.00	\$ 2,369,479.06	\$ 7,722,499.73
Cochise	4,972,263.52	17,484,764.00	32,500,761.76	151,789,316.47
Coconino	3,112,383.00	8,806,655.00	6,808,956.12	19,228,582.67
Gila	739,819.98	2,524,658.00	10,661,644.27	147,882,276.35
Graham	1,014,709.97	3,661,656.09	3,670,178.34	12,427,096.25
Greenlee	701,616.00	2,064,500.00	10,568,765.52	41,267,854.98
Maricopa	3,456,965.64	11,130,270.00	27,599,785.80	80,707,733.34
Mohave	2,440,431.00	7,497,080.00	5,973,264.11	18,432,322.20
Navajo	1,230,768.00	3,769,920.00	3,094,025.46	10,207,174.73
Pima	1,526,648.01	7,273,890.00	8,955,961.00	36,553,392.44
Pinal	2,236,126.39	7,785,846.00	5,123,446.89	46,599,174.00
Santa Cruz	496,374.90	1,051,084.00	2,418,170.04	9,282,403.69
Yavapai	3,641,297.80	11,040,946.00	16,111,921.21	98,716,072.38
Yuma	1,733,129.99	7,453,360.00	4,481,831.49	16,710,710.45

This table shows, county by county, the relative amount which the values of railroads bear to the total values of property of the state in 1912, and again

in 1917.

As many times asserted in the columns of this Magazine, when property is assessed at its fair cash value; when all property is thus assessed, the question of values does not materially change the tax rate. The controlling factor in tax rates and amount of taxes finally collected, is the amount to be finally raised and expended. Consequently, particular attention should be given to second paragraph of Secretary McAdoo's communication above printed. That whole paragraph speaks for conservation of public funds, even beyond the point of economy. It speaks for the seeking out of ways and means by which the reasons

for spending public funds be eliminated wherever possible to do so. It adds that patricular feature of eliminating unnecessary and avoidable expenditures, to the feature of economy in connection with those public activities which must be continued.

Eliminate the unnecessary, avoid and suspend all that may be avoided and suspended, economize in the matter of what still remains to be done.

Inasmuch as a large amount of expenses which are connected with the administration of public affairs arise from an attempt upon the part of officers to respond to the demands of people that certain things be done—things which

each carry an expense burden in their doing—it goes without saying that the officers cannot do it all, that the general public and individual members of that public, may each aid in the desired conservation mentioned in the letter above, by carefully considering the effect of what may be demanded before demands are made for public action which entails expense.

Arizona has shown itself to be one hundred per cent American—over two hundred per cent—in her response to the Third Liberty Loan. Being advised of the necessity let us hope she will win her blue star for conservation and economy along lines suggested.

Comments on Increased Valuations as Affecting Tax Rates

IN previous issues of this Magazine figures were printed showing the annual increased amounts of assessed valuations of the various counties, which figures were commented upon in connection with its actual effect upon the total expenditures of the state and counties, in connection with the possible effect which such increase in valuation should have upon the various tax rates. All in connection with the proposition that with an increase in valuations, taxpayers should look for a decrease in tax rates per hundred of that valuation, or be shown why that decrease did not follow as a matter of course.

A very forcible illustration of the workings of increased valuations in practice, as compared with what should result in theory, is found in Pima County.

False Ideas As To Effect of Increased Values Upon Tax Totals

Notwithstanding the actual results which taxpayers might reasonably expect due to the addition of over \$13,000,000.00 to the rolls of that county, it is true that the newspapers and other sources of discussion, are already dealing with figures for county expenditure which include a gross added amount of \$200,000.00 in available funds, so available simply for reason of anticipating that tax rates for 1918 will continue at the same rate per hundred as in 1917, and the amount produced at that rate computed upon the extra value of the New Cornelia Copper Company will be "public velvet" for expenditure.

While final figures have not been made by the assessing officers local papers are speaking about expected

increases in valuations in Pima County form \$37,000,000.00, approximately, to over \$50,000,000.00, due to the operations and increased values of the property of the New Cornelia Copper Company. If these figures are realized in the final assessments, it will result in adding over \$13,000,000.00 in values to the tax rolls of 1918, over the values on the 1917 rolls, due to this one taxpayer. This same company paid, in round numbers, \$70,000.00 in taxes for the year 1917. The new value as above approximated and at the same rates as in 1917, would have yielded \$270,000.00. The total tax-rolls for Pima county in 1917 were about \$545,000.00. Of this amount \$195,560.00 was raised for state purposes; \$135,320.00 for general county purposes; \$19,885.00 for roads; \$81,367.00 for common school funds; \$51,336.00 for various interest and sinking funds; and \$62,141.00 for special district levies. Or to bring the matter to the one question of general county taxes, including schools, the 1917 total rate for those taxes was .815 per hundred, to raise \$297,910.00. It would seem that with a total valuation of over \$50,000,000.00 the tax rate for county purposes for the year 1918 would be placed in estimates around .60 per hundred—or would naturally call for a reduction of about 21 cents per hundred from the 1917 rate of 81 cents. That this would be the result unless for some reason actual necessity, county expenditures as considered in the 1918 budget exceed \$300,000.00 as compared with \$297,910.00 in 1917. Those computations which are being made to include \$200,000.00 additional taxes are not out

of line with similar computations which have been quite generally made in past years—computations relating to budgets of state, counties, and cities. The basis of such computations, and actual practices in relation thereto, has been to keep the tax rates at about the same rates per hundred of valuation, to do so that the budget of proposed expenditures might increase in nearly the same proportion as valuations have increased.

Strictly speaking the situation produced by an increased valuation in the taxable property of the state, should tend to reduce the rates per hundred of tax rates. Reduce those rates along the whole line of rates, state, county, city, and special district taxes of those districts in which the increased valuations are made.

Change of Class Automatically Increases County Official Pay Roll

Actually and in the particular case of Pima county, the advance made from a second class county for salary purposes, to a first class county for the same purpose, under existing laws, will operate to increase the whole list of salaries of county officers, thus actually increasing the fixed expenses of that county and directly lessening the extra amount which may be levied and expended for other county purposes—outside of school purposes—after giving effect to the limits as to increased budgets as between one year and the next. In other words, by just that amount of increase in salaries, the possibility of an increased budget in Pima County is decreased. In no event may the 1918 Budget and gross tax amounts be more than 10 per centum larger than 1917. When the

ten per cent limit law is applied to Pima County it will be found that the budget of the new year —1918—cannot exceed the budget for 1917 by more than approximately \$20,000.00 of increase. And when this fact is considered, the new extra valuation in that county should result in a material decrease in tax rates for general county purposes.

An Old Theory in Public Finances Stated With Comments

Get the money and spend it. Don't increase the tax rate too much, or the people will kick. But just so long as the tax rate is kept about on a par, one year with another, raise and spend, one way and another, all the money possible to raise, due to increased valuations of taxable property. Ideas like the foregoing have been accepted and acted upon so long in the whole country, that taxpayers everywhere are delving into the question of necessities for public use, which give rise to constantly increased public budgets, without any decrease in rates per hundred, nor any decrease in amount of taxes paid by each taxpayer for any cause whatever. The same property which has carried the burden of taxation which has made possible the development of new operations with their addition to the values of property which should share that burden, is in public practice made to carry the same old burden, and the new property is made to take up a new load or burden, proportionately as great as that old one.

Comments Upon Later Theories As To Finances and Expenditures

Until such time as strict application is made of business rules as to efficiency and economy to public finances. Until such time as the public itself, as well as its administrative officers, give close study to the possible cost of new governmental purposes and activities proposed. Until each and every idea which will entail added cost to the public, is considered in the light of actual necessity or actual benefits to be derived and enjoyed by the people; or is considered in the light of real necessities as against what may be termed "public luxury;" until all these matters are daily considered and when considered, are worked out through co-operation between the public and its administrative officers, that each new expense may carry with it some added public benefit, bring about some phase of general welfare to the whole public, not previously provided for.

Matters to be Considered by the Public As Effecting High Costs and Taxes

Until the general public consider real necessities and real benefits to follow increased public expenditures, and so act with respect to what is proposed in the line of new activities calling for new added costs, that fads and theories be discarded, and practical ideas of government be worked out for no reason except that such ideas are practical, real in benefit, and real in necessity, and which may be attempted without an undue extra burden upon the public—a burden out of proportion to, and extra upon those other financial burdens of the particular period of time to be acted for in adopting anything new, or rejecting and abandoning what is old. Until the whole public look upon the question of public expenses without regard to the other question of can the money be raised, but with regard only to the particular necessities, possible benefits, or other reasons to be advanced, as to whether it should be raised and expended or not.

Taxes are Expenses. Increase Costs And Tax Public Energies

The idea that the general taxpaying public don't feel the amount of their taxes, unless that amount is to each individual greater than it was before, is an exploded idea. The general public do feel every dollar of extra expense paid by that public either collectively or individually. That extra amount takes its toll directly and indirectly from the whole public. Taxes are expenses. Expenses increase production costs to the producer and manufacturer. Expenses increase the cost of living to the laborer. Extra expense drag upon the energies or the whole people. Just at this time extra expenses due to added amounts represented in state, county, and city budgets, take just that much from the ability of the people to meet war demands, except through unnecessary strain, with a wasted energy of action, due to that strain.

On the whole question of increased valuations in the amount of taxable property, it would be a fortunate solution for the situation to be worked out, that public expenditures be kept within their present maximums. That tax rates may be lessened. That the public might have their tax burdens reduced, that it might with greater strength, greater ability, and within the same limits of income as at present, be able to meet the requests of the government for financial aid in raising war finances.

More as to Back Tax Suits

IN checking over the matter of collection of back taxes it appears that two or three counties are still behind in the matter of filing of suits for delinquent taxes. This should not be. The duty of filing these suits is a mandatory duty. Just as mandatory as the prosecution of any other public suit. Officers who fail to act at the time when law demands action, lay themselves liable to penalties. Attention has been called to this matter by this Magazine many times. These suits must be instituted at once, and without further delay, or in event of failure to so do, something more than mere suggestions will be in order for action.

It has cropped out in connection with suits which have been brought, that numbers of parcels of land continue upon the tax rolls, the taxes thereon go delinquent, the owners have in fact abandoned the lands as worthless, and that the expenses incident to tax suits is an outlay which will not be re-imbursed from a possible sale of the lands. It also appears that the amounts delinquent are in many cases less than the amount of costs of publication, traveling for service of process, and like outlays, which must be paid by the county to recover a judgment for taxes. Under the present laws regulating tax suits this is a condition which cannot be avoided, and at the same time carry out the provisions of law as to such suits. The remedy for the situation lies with the legislature, not with the county officers in an excuse for failing to comply with existing laws. It is up to the officers to enforce the laws as they are, and if in so doing, it is found that defects exist like the defects above mentioned, those same officers may suggest the need for amended legislation which will meet the practical situation of the matter.

Any defects in a law will surely appear when that law is fully used in practice. Go after the delinquents, endeavor to enforce the law as to delinquent taxes, and necessary remedies to defects in the law will become apparent.

Extracts From an Article Upon "Uniform Accounting in Public Institutions"

By Professor Henry C. Adams

ONE of the oldest associations covering the same field as the Arizona Taxpayers' Association is the Michigan State Taxpayers' Association, which recently held its seventh annual conference. Among the many prominent men who contributed to success of the meeting was Professor Henry C. Adams of the University of Michigan, and whose life study has been along lines which has made him not only conversant with, but an authority upon the subject which he presented at that meeting, an article upon uniform accounting in public institutions. It is to the loss of our readers that the entire article cannot be published and it is with great pleasure that an extract therefrom can be given as follows:

"Your Secretary has asked me to submit a short paper on 'Uniform Accounting for Public Institutions.' The need of uniformity in accounting methods for undertakings that are similar in character is now generally recognized. The promulgation of a universal system of accounts for railways and all other transportation agencies by the Interstate Commerce Commission; the growth of uniformity in the records of manufacturing corporations as a result of the Federal Corporation Tax of 1913; the attention which is now given to municipal budget making and municipal accounting; and other events similar in their trend, are proof that the paramount importance of sound accounting records is universally conceded. I shall not, therefore, claim your time in an attempt to impress the public advantages that flow from a system of uniform accounts for public institutions. My aim is, rather, to submit a few practical suggestions relative to the formulation of such a system.

"It is necessary to recognize at the outset that public accounting is a branch of general accounting. This is a fact of some importance since it leads to the conclusion that what one knows of the fundamental principles of commercial accounting may be applied, in a more or less modified form, to a system of accounts drawn to meet the needs of public institutions. We should be very careful, however, to note the point at which the rules of commercial accounting cease to apply to government accounts. The test of sound public administration is that the maximum of service should be rendered for a minimum of cost; the test of a sound business administration,

on the other hand, is the appearance at the close of a year of a large operating surplus. This being the case, that phase of accounting which has to do with net operating revenues, income surplus, or balance sheet surplus, is not a controlling consideration in an accounting system for public institutions. The object of commercial accounting is to measure profit or loss, but the idea of profit or loss is absent from the business management of public institutions. Only in case the government enters upon a distinctly commercial enterprise, as, for example, the manufacture and sale of electric light and power, is it necessary to follow the rules of profit and loss accounting.

"The ruling consideration in framing a system of public accounts is found in the fact that public administration is free from that commercial pressure which, in the case of commercial enterprises, guarantees a careful supervision over expenditures. Business enterprises are competitors and other things being equal, that business which can produce goods or render service at the lowest unit cost will succeed while those business enterprises which are careless in their expenditures will sooner or later cease to exist. The necessity for a continuous profit, and the desire for as high a profit as possible, will force the management of a private business to scrutinize carefully the cost sheets. There is no such commercial necessity in the case of the administration of public institutions. The source of revenues for such institutions is taxes, not sales. These institutions are not and, from the nature of the case, can not become competitors with similar institutions. If, then, the analysis of costs is regarded as important by those who administer commercial enterprises, how much more important is it in the case of public institutions. The former cease to exist as commercial competitors if they disregard the rules of cost; the latter can continue in a spendthrift course, and, by this means, impose upon the taxpayer a burden in excess of that which, under sound administration, he would be called upon to bear. Our conclusion, then, is that the center of a satisfactory system of records for public institutions is an analysis of expenditures and a computation of costs. In no other way is it possible to hold the administration down to ordinary rules of efficiency and economy or to discover those branches of the administration

which are carried on in a wasteful or extravagant manner.

"The item of 'Materials and Supplies' in a private business is a most difficult item to control. Even commercial accounting has, up to this time, failed to overcome all the difficulties that arise in the purchase and the use of materials. Stock room accounting, requisitions for use, reports of use upon materials issued under requisitions, are all more or less uncertain, and in view of the large number of employees concerned and the grade of intelligent to which requisitions must be issued it is easy to see how confusion readily creeps in. If this is true of business administration, where undue costs lead inevitably to commercial failure, how much more is it likely to happen, in the case of the use of materials and supplies by public institutions, which rely exclusively upon political remedies for the realization of sound business principles. It is not too much to say that nine-tenths of public accounting centers in storehouse accounts. Every official who is placed in charge of a public institution should, either in his own person or in that of some official specially designated for this purpose, be charged with all materials and supplies purchased. He should be required to distribute these charges under appropriate headings, the purpose of which is to bring together all similar items. He should then be required to issue these materials and supplies in such a way, and in such amounts, as will guarantee their proper use and economical consumption. His books ought to be kept in such a way that the balance which they at any time show for any particular class of goods will check up with an inventory. Failure to check ought to be regarded as an administrative misdemeanor and secure the prompt dismissal of so incompetent an officer.

"To proceed farther along this line would lead to the consideration of details beyond the province of this short paper. I can only add that, in order to realize the foregoing suggestions, it might be advisable for the Legislature to develop an adequate system of public audits and to create, as an arm of financial administration, a Board of Examiners whose chief duty it should be to see that the records of every public institution, whether these pertain to the State itself or to the county and minor civil divisions as agencies of the State,

conforms to such rules of procedure as the Legislature may see fit to lay down. So far as the technique of that problem is concerned, there is no difficulty in prescribing an adequate and satisfactory system of records for public institutions. It is only necessary that the matter should be worked out in a systematic and comprehensive manner, that the scope of such a system should be limited to the peculiar needs of public administration and, finally, that some simple machinery should be created for the constant testing of the records of those who are placed in charge of the administration of public institutions.

Questions and Answers

Q.—Is the county assessor of any county in this state entitled to retain five per cent of the amount of poll taxes, or road taxes collected by him, as extra compensation for services in office?

The answer to the above question is, no. It is true that cases are still pending which involve the matter of back salaries as between salaries due under the salary law of 1901, the salary law of 1912 (1913 Code,) and the new law of 1917, but these cases do not involve any question of fees of any officer, due him on account of any provisions of any law in force prior to statehood. The 1901 law in paragraph 2619, did provide that in counties of the fourth, fifth and sixth classes, the county assessors should be allowed to retain five per cent of all moneys collected by them as taxes upon personal property, but in 1907, the salary of assessors in counties having an assessed valuation of over \$6,000,000.00 was fixed at \$2,400.00, and assessors in counties of the third class, (those having an assessed valuation between \$2,500,000.00 and less than \$3,000,000.00) were included in the five per cent list by an amendment to paragraph 2619. Under decisions of the state supreme court, based upon the territorial classification of counties, a county automatically advanced from one class to another higher class, as the assessed valuations increased to an amount equalling the amount which determined the higher class of counties. At this time even admitting that the 1901 law as amended, still controls the matter of salaries of assessors, all counties under that law would be "first class." Such officers would have under that law a fixed salary only, with no fees. Under any law enacted by the state legislature, there could be no fees of office to any county officer as a part of his profits of office, due to constitutional provisions prohibiting fees. Hence it is, that under any phase of the matter, none of the officers of a county in Arizona, is entitled to retain for his individual use, any fee whatever.

Q.—Has a county board of supervisors power to retain for the county amounts which are due the county from individuals who present claims for allowance by the board for payment from county funds?

This question is answered by the provisions of paragraph 2436 of Revised Statutes of 1913. This paragraph reads as follows:

"No demand on any county treasury shall be allowed by the board of supervisors in favor of any person in any manner indebted to the county without first deducting such indebtedness, nor in favor of any officer whose accounts shall not have been rendered and approved or who shall have neglected or refused to make his official returns, or report in writing, as required by law, or in favor of any officer who shall wilfully neglect or refuse to perform any of the duties of his office. The board of supervisors shall have power to examine, orally or otherwise, on oath the persons presenting any demand on the treasury, or the agent or attorney of such person, or any other person, in order to ascertain any facts necessary or proper for them to know in order to determine their allowance or disallowance of such demand."

REASONS GIVEN FOR SPECIAL SESSION OF LEGISLATURE

THE Governor issued a call for a special session of the State Legislature as follows:

"In order that the State of Arizona may render assistance in the fullest extent possible to the National government in the present crisis, and in order that nothing that can be done may be left undone in standing back of our men on the firing line, I, George W. P. Hunt, Governor of the State of Arizona, by virtue of the power and authority in me vested by the Constitution, do hereby convene the State Legislature in special session at Phoenix, the Capital of Arizona, at ten o'clock on the morning of Tuesday, May 21st, A. D., 1918, for the purpose of giving consideration to legislation upon the subjects enumerated below:

1. To extend the franchise to electors of the State of Arizona in the military and naval establishments of the United States, wherever they may be stationed.

2. To extend protection to the civil rights of Arizonans in the military and naval establishments of the United States during the period of the present war; to protect the civil rights of the families and dependents of Arizonans engaged in the present war, and to otherwise provide for these families and dependents so they may not suffer want or privation by reason of the participation of any member of their household in the present struggle for liberty.

3. To provide that officers and enlisted men of the National Guard of Arizona who were drafted into the service of the United States shall be allowed credit under the laws of this State for such service as continuous service in the National Guard of Arizona, during the time such officers and men continue in service in the National Guard of the United States.

4. To legalize the Arizona Council of Defense; to clothe it with authority to meet emergencies in the present crisis and to provide the necessary funds for its maintenance.

5. To permit the investment of the funds of the State in Liberty Loan Bonds of the United States Government, and to further permit the investment of the funds of the State, savings banks, insurance companies and trustees of trust funds in Farm Loan Bonds, issued under the Federal Farm Loan Act.

6. To encourage and to put a premium on the Americanization of all aliens within the State.

7. To provide such dairy legislation as is necessary to preserve and increase that industry to meet the necessities of the war.

There are a few other matters not strictly of a war nature but of such general and timely appeal that I am convinced the Legislature would not wish them overlooked:

1. The ratification of the Prohibition amendment to the Federal Constitution.

2. The ratification of the Women's Suffrage amendment to the Federal Constitution, if that amendment is submitted by the Congress of the United States before adjournment of the Legislature.

3. To reimburse Honorable Thomas E. Campbell for his services as defacto Governor of the State of Arizona during the period January 27th, 1917, to December 22nd, 1917.

4. To exempt from inheritance tax and from the lien of any inheritance tax which may have been created or attached since the first day of November, A. D., 1916, all observatories and appurtenances which are now, or which may hereafter be, established and maintained for astronomical research solely at private expense and without profit, together with and all property and funds which may be provided for the maintenance of such observatories. Such a measure is clearly within the provisions of our Constitution, and would enable the State to pay a fitting tribute to the memory of its greatest scientist, the late Doctor Percival Lowell."

It will be the purpose of this Magazine to present to our readers so far as possible in detail, the work of the legislature while in session. At this time giving only the reasons for the call, as above.

ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS' MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME FIVE

PHOENIX, ARIZONA, MAY, 1918

NUMBER FIVE

The manner in which the total valuations of the property of the mines and mining industry of the State of Arizona has pyramided since statehood appears from the table below:

Year	Mining Property of all Descriptions	Per Cent of Total Value
1912-13—	\$45,145,084.49—	31.7
1913-14—	\$140,488,648.30—	37.2
1914-15—	\$146,672,395.05—	35.7
1915-16—	\$159,019,288.85—	37.4
1916-17—	\$216,879,796.28—	44.2
1917-18—	\$393,421,536.60—	56.0

The above table also shows the total of assessments of each fiscal year, and the ratio in per cent that those values bore to total values of all property for taxation purposes in the several years.

The taxation values of the mining industry has increased over 873 per cent since statehood.

EDITORIAL COMMENT

The Remedy for High Taxes is in Lessening of Public Expenditures

THIS Magazine has repeatedly advanced the suggestion that the surer way to decrease the tax rates, is to give strict attention to every public activity which calls for the expenditure of public money to support that particular activity; to also along the same line give attention to the special public result intended to be accomplished by each public activity which is proposed, and like attention to every presently supported activity, that useless activities be not supported at all, or if given support, the extent thereof shall not exceed the necessity thereof, measured as a necessity in view of the possible increase in the welfare of the public which will follow such support.

This Magazine has consistently advocated a careful scrutiny of every branch of the administrative and executive departments in the various parts of the state, county and city government, that useless branches be eliminated, that any repetition of action to the same general ends may be abolished, that all expenditures be reduced to the minimum which may be finally possible, and still with respect to a system of administration of public affairs finally perfected along those lines of elimination, abolishment, and consolidation, build up an efficiently working force to the end of covering fully, every needed line of public activity.

The solution of the problem of increased amounts, constantly increasing, and of the increased taxation necessary to keep pace with that increase, has been, and still is, one which is being labored upon by the brightest minds of the country. Those labors have been directed along two lines, one having for its purpose such a classification of the different species of property which go to make up the taxable wealth of the country, and that as to each classification, it bear only its portion of the amount to be raised to meet public expenditures, in just proportion to that borne by each and all other classes taxed. The other line of thought and suggested action is to the point of going more directly to that necessity which lies at the foundation of taxation at all, and which is, to the direct question of those public expenditures

which finally control the amounts to be raised by taxation as to how those may be lessened and by that means the amounts of tax money levied and collected, be proportionately lessened.

The first line of thought and action has been given more prominence in the past in the work of many of the various taxpayers' associations, state, county, and national. The question involved will at all times be an open question. The elements to be dealt with in its solution will be as changeable as the forms of property, sources of production of income, sources of net profits, and distinct identity of class in new and fixed species of values incident to property, may likewise change. The importance which has been conceded to the solution of the question involved seems to arise from the fact that the owners of some class of property, feeling as they have felt the burden of tax against that class, jumped at the conclusion, that such class of property was being unjustly appraised, assessed, and valued by taxing officers, and unjustly so in the relation which the valuations of that class bore to valuations of other classes of property. Whatever reason in fact has in any instance supported the claims from any source that any class of property was not or is not contributing its just share in taxes to the aggregate amount necessary to support public activities of government, it is not necessary to discuss, for the purpose of this article it is sufficient that claims of that nature made constantly by portions of the public, has resulted in action throughout the country with an attempt to bring about uniformity and equality as between all classes of property.

The controlling reason for such action as has been taken upon the general subject of tax reform laws, is a reason directly traceable to demands of the tax-paying public, or portions of that public, that such action be taken. The underlying reason for such demand for reform of existing tax laws, has been the fact that taxes have in the past, and will be in the future, a burden upon the public at all times, increased as a burden in the same proportion as the amount of public expenditures also increase. The result

sought to be attained through such demands is a lessening of taxes.

The second line of thought and action is that directed to an attempt to get at the root of the whole matter by reducing the amount demanded from the whole public as an aggregate body of taxpayers, and so demanded in the aggregate amount of funds necessary to pay governmental costs. This line of thought is coming to demand more and more attention by tax experts. The manner in which such reduction may be effected is receiving more and more attention.

Inasmuch as the efforts of the State Taxpayers' Association have from its organization been along lines of economy in public expenditures—in other words, along the second line of thought and action above outlined, it is gratifying to know that several of the speakers who addressed the annual meeting of the National Tax Association, championed that same idea. A few quotations therefrom are given.

Tax Commissioner Ralph W. Thomas, of New York, expressed himself as follows:

"The great thing for which we ought to strive is to get to the taxpayer again and again, that the place where he ought to concentrate his force, is not on keeping the assessment of his property down, but on keeping down the expenditures of the public money. Not the assessment rate, but the tax rate is the thing for him to look at."

Mr. J. F. Zoller, also of New York, speaking for taxpayers, voiced the sentiment of his locality, when he said:

"There is another thing I want to call to your attention. I was much impressed by the statement of one of our tax commissioners that he believed the thing to do when assessments went up was to stop expenditures. I agree with that and I wish there were some way to carry that into effect. If there ever was a time when state, city, and local expenditures ought to be held down to a minimum, it is at this time when the federal government is coming along and taking all the extra mon-

ey of taxpayers for the support of the federal government. This is the time when a particular effort should be made to keep down expenditures, but it is one thing to advocate it and another thing to do it."

These utterances were referred to by many other speakers at the National Tax Conference, and with words of approval.

It may be one thing to advocate economy in public expenditures, and entirely another thing to do it. This Magazine realizes the task involved in the doing of what is by it advocated. It has faith in the power of the people. It has faith in the proposition that the people when directing serious attention to any desired end, will finally accomplish that end. Every reform movement has had its early

champions. Their efforts have met with discouraging progress. We have faith in the proposition that when the people of this state or any state are made to see the line of action which must be taken to bring about a decrease in taxes, that people will ultimately unite in doing what may be necessary to do that such decrease become an accomplished fact.

Suggestions as to Action Upon Estimates for County Schools

THE actual active work of our schools closes in the month of May, or early in June. With the close of that work the expenses of conducting the schools, including the amounts of teachers' salaries, including the amount of contingent expenses, and including all other expenses, should be known and fixed amounts. While it may be a fact that all those expenses of the closed year may not have been paid, it should be a fact that the means of ascertaining the exact amount remaining unpaid, should be at hand, from which by simple computation the amount still to be paid may be definitely determined. With that unpaid amount added to the payments actually made from school funds, accurate balances in school funds in the various district funds will likewise become certain in amounts. Those certain amounts will then in turn become the basis for making estimates as to the amount of new money needed by each district to meet the requirements of each district for the next school year.

School Boards Should Strike a Balance As to School Funds

There seems to be no real reason to be advanced, as to prevent each district board of trustees from estimating the amount of the cost of any contemplated use of the remainder of school funds to the credit of each district after making such computations as above suggested, and then after making due provision for payment for such contemplated uses, treat a new remainder as a balance on hand for the purposes of defraying the incidental expenses, costs of improvements, and the like, to be made during a new school year.

The reports of the various county school superintendents show that in many districts there remained balances of funds to the credit of those districts; balances which have increased in size year after year. In many instances it appears upon the face of the situation, that these balances are in reality nothing

more or less than what may be termed idle funds. The aggregate of all such idle funds throughout the state is an aggregate running into thousands of dollars. The action suggested by this article is that each school district board make an earnest effort towards such action respecting such funds of their district that the taxpayers of that district may have the benefit in a lessened school tax, to such an extent of benefit as will be possible, and as will result, if each board in their estimates for future needs of a district, treat the funds on hand and unused and unappropriated for use, as amounts to reduce their requests for new apportionments to such districts from the taxes of a new fiscal school year.

Idle Funds Retard Thrift

This suggestion is made in support of the spirit and intent of those requests which come from Washington that public officers do all in their power to reduce taxation to the end that the finances of the public may be left as free as may be possible for use in connection with meeting and providing for the extra demands for finances needed in the conduct of war preparations.

Inasmuch as the estimates made by the various district boards of school trustees are as to each school district the starting point from which the totals of amounts of school taxes for each year becomes finally fixed by the board of supervisors, the action which is suggested by this article if adopted by school district boards, will have a decided effect in reducing the amount of taxes finally levied for school purposes.

Conserve By Sparing Use of Money For School Incidentals

Those same boards have it in their power to act sparingly in respect to the amounts estimated for new equipment, for repairs, and for incidentals, and thus within the lines of suggested and re-

quested action coming from the United States covering those subjects, still further conserve the money of the taxpayers of the state for application to the same war needs of the government.

The district boards of the school districts have it within their power to aid the government in two ways. One by releasing accumulated balances of funds belonging to the district and applying such funds to the immediate future needs of the district. The other, by keeping their estimates as to those future needs within the limits of actual necessities.

School Boards Have the Will and Should Devise the Way to Thrift and Economy

The problem of working out the two methods of conserving funds is one which is primarily with each school board. No specific line of action can be pointed out which will cover all cases. But where there's a will, there's a way. No doubt exists as to the existence of the will to do in each and every school board. It remains for each to devote special attention to ascertaining the way to the desired ends of economy and conservation so necessary to be reached under present conditions. It is perfectly apparent that every dollar which is left in the pockets of any taxpayer, becomes a dollar which that taxpayer may voluntarily use in the purchase of thrift stamps, in the purchase of liberty bonds, in contributions to Red Cross work, or in other ways of support to the war cause. The action of the citizens of Arizona has demonstrated the fact that their dollars are being freely used to all those purposes. It is up to public officials to increase the balances in the control of citizens, do so by reducing taxes wherever possible, and leave it to the patriotism of those citizens to make use of the money so remaining in their hands after having met the real necessities of their localities in connection with schools and other public activities.

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS' ASSOCIATION OF ARIZONA

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Arizona Must Yet Put Over Her Quota in Thrift Stamp Purchases

THERE can be no let up among the people of the United States. Every request for funds made by the government must be satisfied by the people, and must be so satisfied without reference to how often such requests come, and without reference to the form of security offered to the people, or even if no security at all is offered, the people must respond quickly and fully to all such requests for funds, and do so without regard to what any have done respecting past requests. No one has satisfied the requirement of "doing his bit" until he has done everything within his individual power to help meet the demands made upon the public. No individual sacrifice of time, of money, of personal desires, or personal pleasures, or the like, can equal the supreme sacrifice made by our soldiers in uniform preparing for actual battles in the battlefields of Europe. If every man, woman, and child of the one hundred million citizens of the United States, is called upon to sacrifice to the fullest his material goods and property, that sacrifice is as nothing as compared with the sacrifice of the soldier who lays

(Continued on Page Eight)

The Relation of Mining Industries to Public Finances in Arizona

IN previous issues of this Magazine figures have been published which in general showed the increase in valuations of the property in this state for purposes of taxation, as those values have increased from the first fiscal year of statehood—1912-1913—up to and including the last fiscal year—1917-1918. The totals have shown the real increase to be from \$140,-388,191.00 in the first year above referred to, up to \$697,526,619.68, in the last year named.

The Purpose of the Table Below

It is the purpose of the present article to give the figures more in detail, and to show with respect to the mining industries of this state, the part which that industry has played in connection with the general increased amount of all property upon the tax rolls. In making this showing, a table has been prepared which in its different columns shows,

This item of difference which represents the increase as between what the mining industry was assessed in 1912-1913, and in 1917-1918, is approximately two and one-half times the total valuation of the entire valuation of all property in the state for the first year of statehood.

Per Cents and Increase In Mining Property Valuations Compared With Per Cents of Other Classes of Property

Looking at the table submitted below it can be observed that no other general class of property has increased in the same proportion of percentage, as that shown in connection with the mining industries. Taking the first year's figures of valuation for the general class, "lands and improvements," and it appears that a valuation of \$18,173,333.11 for property of that class was 12.7 per cent of the total values in that year—

Year	Total Miles	Valuation of Railroads	Mining Prop-erty of all		Total Val	Land Improvements
			Per Cent of Total Val.	Per Cent of Descriptions		
1912	1982	28,512,434.20	20.0	45,145,084.49	31.7	18,173,333.11
1913	2229	84,130,910.50	22.2	140,488,648.30	37.2	41,334,333.11
1914	2243	90,204,403.50	21.9	146,672,395.05	35.7	46,238,333.11
1915	2286	91,041,472.70	21.4	159,109,288.85	37.4	45,636,333.11
1916	2334	91,982,622.00	18.8	216,879,796.28	44.2	45,426,333.11
1917	2325	96,728,523.00	13.8	393,421,536.60	56.0	53,165,333.11

year by year, under general classifications as to specific general classes of property, and as to each such specific class, the total of values assessed for each year, with the percentage which that valuation bore to the one hundred per cent of all values of property.

Percentage of Increased Valuations Of Mining Industry Property Stated

In the fiscal year 1912-1913, the total valuations of property assessed against mines of all kinds—producing and non-producing—and against properties which were directly connected with those mines, including mining supplies, and the like, was \$45,145,084.00; this was 31.7 per cent of the total values of all state valuations. In the fiscal year, 1917-1918, the same character and general class of property, mines and connected properties, were assessed at \$393,421,536.00, which was 56 per cent of the total value of all property assessed in the state of Arizona. In comparative figures as between the two years named, \$45,145,084.00 and \$393,421,536.00, there is an increase of \$348,276,452.00.

1912-1913. Taking the figures for the last year—1917-1918—of valuations of lands and improvements, a total of \$53,-165,013.00 and that total is but 7.6 per cent of the grand total of all property values of year named. Making a similar comparison as to that class of property headed: "town and city lots and improvements," the percentage of value was 18.2 of total for 1912-1913, and only 10.2 per cent of the total for 1917-1918. Under heading: "live stock of all descriptions," the per cent of total for 1912-1913 is 6.5 per cent, and 5.4 per cent of total for 1917-1918. Under the head: "all other property," the per cent of value for fiscal year 1912-1913 was 10.9 per cent as against 7.0 per cent in year 1917-1918.

"Units" and Elements of Change Which Affect Increased Valuations

The table shows increased valuations under every general head. In some instances the figures of increase appear large. However, before framing any opinion as to any such increased total as applied to any general class of prop-

erty, it would be necessary to go back to the units in that class, then determine just how many added units there have been which affect that result. To those of our readers who may not quickly catch the meaning of the word "unit" as used above, that meaning may be explained by saying that live stock, (cattle, sheep, goats, hogs, and the like,) are assessed at a fixed value per head. That lands of the different classes, irrigated, dry farming, grazing, and other lands, are assessed at a fixed value per acre. So with town lots. In each of these different classes of property, two elements enter into every comparison of aggregate values of that class, as between gross figures of values in any two years. Those elements are, first, the increase in numbers of units, and second the increased value of each unit. To further illustrate the meaning which is intended as to the application of those two elements to the matter of comparing the figures of different years, attention is called to the fact that in 1915, 348,357 acres of irrigated lands were assessed at the average acre value of \$78.98 per acre, that in 1916, 364,227 acres of such lands were

Mining Industry Important Factor

In the Financial Affairs of the State

It is not with the intention of raising any question as to the fairness of action by the assessing officers that any comparison as between different classes of property is made, or suggested, in this article. The most that it is intended to bring to the minds of our readers, is the ultimate fact which is shown by the actual figures given. Those figures are either taken directly from the official reports of the State Board of Equalization, or are the result of computations made for the purpose of properly grouping in the table, and so made from actual figures likewise found in the published reports of that Board. The ultimate fact is the actual important place which the mining industry of the state of Arizona has in the financial affairs of the state.

To Maintain Values of Mines Net Earnings Must Be Maintained

The assessment of mines is based upon an element of net earnings of those mines averaged over a series of years. The

of Arizona are constantly increasing in amount, the sureness of result of an increase of burden upon other property will follow when causes arise which bring about a reduction in earnings of the mines.

Interest of Public in Mining Prosperity

Consequently the general taxpaying public are directly interested in the welfare and continued development, and increased prosperity of the mining industry, if the public consider the matter from no other than a purely selfish standpoint, i. e., the standpoint of how taxes are affected thereby. If the general public were to act only from a purely selfish standpoint, then action would be expected by that public, to meet and deal with every situation which is not founded in right and justness, every situation produced from causes without merit, and do so in those ways in which the people have in getting at the bottom of things, and stamping out every element of action of any kind, which element of action has a tendency to retard the prosperity and development of the state, or any portion of the state.

Per Cent of To- tal Val.	Town and City Lots and Improvements	Per Cent of To- tal Val.	Live Stock of all Descriptions	Per Cent of To- tal Val.	All Other Property	Per Cent of Total Val.	Total Taxable Property
12.7	25,871,075.55	18.2	9,330,578.75	6.5	13,305,684.98	10.9	140,338,191.08
10.7	57,579,873.85	15.2	22,377,364.53	5.9	29,950,710.07	8.8	375,862,414.66
11.2	63,950,566.65	15.6	24,882,803.50	6.1	35,318,755.81	9.5	407,267,393.11
10.8	63,486,078.57	15.0	27,520,692.40	6.5	33,738,033.95	8.9	420,532,411.90
9.2	67,712,804.62	13.8	27,910,542.00	5.7	36,494,559.49	8.3	486,406,518.50
7.6	72,278,961.26	10.2	37,782,508.00	5.4	44,150,177.82	7.0	697,526,619.68

assessed at an average acre value of \$74.94, that in 1917, 437,026 acres of irrigated lands were assessed at an average acre value of \$74.08 per acre. In the case of irrigated lands the "unit value" remained about the same, the increased aggregate of value was due to an increase in the number of such units, or really an increase in the number of acres of lands of that class put upon the assessment rolls. In the case of cattle, in 1916, 726,271 head were assessed at \$25.01 per unit, or head, and in 1917, the number of units increased to 834,872, and the value per unit raised to \$29.00; both elements as to matter of increase played their respective parts in the figures of gross valuations of cattle as between the years named. The number of sheep assessed in 1916 was 709,789, the number assessed in 1917 was 795,078, the unit value of sheep used in making up the 1916 roll was \$3.99 per head, and that used in 1917, was \$5.94 per head. Again in the case where both elements as above referred to had their direct bearing upon the increased values as between the two years.

question of increase or decrease in the values to be placed upon mines for taxation purposes is, for reason of the established system of using the net earnings as the foundation of such values directly influenced by anything which tends to increase or diminish the amount of such net earnings. Any untoward influences which result in cutting down the extent of operations of the mines of this state, be that influence due to what cause it may be, will directly bear upon the values of mines for tax purposes, and as directly bear upon the amount of taxes paid to the state, to the counties, and to the cities of the state. Any such cause or influence so affecting the mining of the state will have its direct bearing upon the owners of every other class of property in the state. It is elementary, that values of one class of property may not be impaired, without increasing the burden of taxation upon other classes, if as to all property, the amount of public expenditures to be met by taxation, remains the same. And for reason of the fact, that public expenditures in the state

Questions and Answers

Q.—Are trustees of school districts required to make any estimates of amounts required to defray expenses of their districts, and if so when and what is done with the estimates?

Ans.—Paragraph 2817 of Revised Statutes 1913 provides that on or before the first day of July of each year the trustees of school districts shall file with the county school superintendent an itemized statement of the amount of money needed for defraying the expenses of the schools within their districts for the ensuing year. That same paragraph requires that these estimates shall be transmitted to the board of supervisors by the county school superintendents, when he files his estimate of the amount needed for the schools of the county. These reports or estimates of County Superintendents

are filed with the boards of supervisors on or before August first of each year.

Q.—A special improvement district for the purpose of paving city streets was created by a city council, a contract let for the improvement. The streets to be improved runs along in front of school property, which property is within the boundaries of the established street improvement district. The question is asked, whether the city at large or the school district is to pay for that portion of the improvement which is made along the line of the school property?

Ans.—The answer to the question seems to be controlled by an interpretation of the language of paragraph 1958 of revised Statutes of 1913. This section provides as to the conditions under which lots any lot belonging to any school district shall be treated as a part of the improvement district, or excluded therefrom for the purposes of lessening the cost of the whole contemplated improvement to the privately owned lands of the district. In dealing with the

school property, the city authorities as a part of the resolution, is required to expressly declare whether or not that property shall be omitted from the assessment thereafter to be made to cover the costs and expenses of the proposed improvements. The paragraph referred to also provides, that: "In the event that said school lots shall by said resolution be omitted from the assessment, then the total expense of all work done shall be assessed on the remaining lots fronting on the work or improvement, or laying within the limits of the assessment district, without regard to such omitted lots. In the event that the legislative body, (in this case the city council,) shall, in such resolution of intention, declare that said lots, so owned as aforesaid, (by the school district,) shall be included in the assessment, or in the event that no declaration is made respecting such lots, then the municipality shall be liable for such sums as thereafter may be assessed against said lots, which shall be payable by the city out of the general fund, unless the legislative body shall in its resolution of intention designate

another fund." From this paragraph and its language, two situations as to payment for the improvement can arise, either of which bears upon the one question of whether the city or the private owners of property in the special district shall pay for such an improvement. Neither situation can affect the school district funds. If by positive and express language the city council declares that the school lands shall be omitted then the entire burden of costs of the improvement will fall upon the private owners, if the city council says nothing upon the subject in the resolution creating the special assessment district, then the city is liable for that portion of the total cost of the improvement which the frontage of school lands bears to the total frontage of lands upon the improvement, if the assessment is made as to relative frontage. The fact that school districts may by an election authorize the expense of, and voluntarily improve streets fronting upon school lands, has no bearing upon the question asked. The city council cannot in any event force such an expense upon a school district.

Proposed Laws Before Special Session of the Legislature

AT THE time this article is being written the work of the first special session of the third legislature of the State of Arizona, which convened on May 21st, consists of several resolutions and the introduction of eight bills in the senate and ten in the house.

By joint resolution both branches of the legislature have adopted the proposed amendment to the constitution of the United States, prohibiting the manufacture, sale or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States, and all territory subject to the jurisdiction thereof, for beverage purposes, and giving Congress and the several states concurrent power to enforce the amendment by appropriate legislation. This proposed amendment is inoperative until it shall have been ratified as an amendment by the legislatures of the several states, as provided in the constitution of the United States, acting within seven years from the date of the submission thereof by Congress to the states. It becomes finally effective within one year from the time it has been ratified by the requisite three-fourths in number of the state legislatures.

Another resolution introduced in the House by Representative Pauline O'Neill,

and in the Senate by Senator Campbell, was passed unanimously by both. The resolution so adopted is in line with the language of Mrs. O'Neill, used by her in its support, that, "those who are not with us, are against us," and reads as follows:

"Whereas, our country is now engaged in the most stupendous war that has ever been waged, and

"Whereas, our state has sent thousands of her brave sons to give war their lives if need be, that the world may be made safe for democracy, and

"Whereas, there has sprung into existence an organization known as the I. W. W., that threatens to destroy that very democracy in our own glorious land and to tear down patriotism and service and thus bring contempt to the name of our fair state throughout the entire country, now

"Be it Resolved, that this legislature here assembled, views with concern the activities of the I. W. W.s and believes it to be a lawless organization composed of men who are a menace to the safety and honor of the state, and whose presence and propaganda within the state is a reflection upon our brave boys

and a hindrance to the united stand that we, the people of this state, are taking as a second army behind our boys, now

"Therefore, Be it Further Resolved, that this legislature, in special war session assembled, calls upon every official from the highest to the lowest, to place Arizona in the lead in this nation in patriotism by denouncing the I. W. W. and all its works, and to pledge himself to do everything within his power to rid the state of an organization which is a menace to our government and a stain upon the fair name of our state and our nation, and an insult to the beloved flag of our great and glorious country."

SENATE BILL No. 2

Senate Bill No. 2 is one intended to create a dairy commission, provides for a salary of not more than \$2100.00 for the commissioner, a salary of not more than \$125.00 per month to each deputy appointed by the commissioner, with power to appoint as many deputies as the commissioner may deem necessary to enable him to discharge the duties imposed by the law. Traveling expenses are also allowed. The appropriation portion during said period (of the war) and ev-

of the bill fixes an amount of \$4,000.00 per year to cover salaries and expenses under the law. The general scope of the bill as stated in its title is to provide for the inspection of creameries, cheese factories, dairy barns and utensils; for establishing rules and methods for the education of Arizona dairymen, handlers and manufacturers of dairy products; for regulating the production, sale and shipment of milk, cream, butter and cheese; provides penalties for violation of the act.

SENATE BILL No. 3

Senate Bill No. 3 is one defining the crime of sabotage, and prescribing a penalty therefor. It makes it a crime for any person who during the war shall either wilfully or maliciously, either directly or through the assistance or act, means of any chemical or any sun glass or by the control of any electric current set on fire buildings, grain or food products. Or who shall poison or kill any work or food producing animal, with intent to hinder any agricultural operations or lessen the country's food supply. Makes acts of the general character above name punishable with imprisonment for from five years to life. The same bill provides for an imprisonment of not less than three nor more than twenty years for attempting to do the acts prohibited above, and for a like penalty to persons who with a purpose of hindering or delaying the harvesting or threshing of any crop, shall inflict injury upon farm machinery by placing foreign substance in any grain to be harvested thereby, or who with intent to hinder or hamper the government of the United States in the prosecution of or preparation for war, shall in any manner destroy any other property.

SENATE BILL No. 4

Senate Bill No. 4 is entitled as an act in relation to the civil rights of members of the military and naval establishments of the United States, engaged in the present war. Section one of the act in substance provides that no proceeding, by action or otherwise, shall be had or taken in this state for the foreclosure of a mortgage, or other lien, on real or personal property, or for the cancellation of an executory contract for the sale of land; or for the recovery of any indebtedness against any person in the active service of the United States as defined by the act, during the time the United States is engaged in the present war, and for six months after the date such person is mustered out of said service. The collection of taxes against property owned by such persons may be held in abeyance upon complying with certain provisions of the act. Senate Bill No. 8 is one

covering the same ground as that covered by Senate Bill No. 4. The difference between the two bills lies in the working out of the ends sought to be attained by each bill, which end is, the protection of the property of soldiers and sailors against loss by default during the period of their service. To the same general result is House Bill No. 4.

SENATE BILL No. 5

Senate Bill No. 5 is entitled: "An act creating the Arizona Council of Defense; defining its powers and duties, and appropriating money for carrying out the purposes thereof; and to reimburse members of the de facto organization known as the Council of Defense for moneys expended." This bill provides for a salaried secretary of the proposed council, at a salary of \$3000.00 per year; the members of the council are to receive no compensation for services, but to be reimbursed for expenses incurred in the performances of the duties. House Bill No. 6, is a somewhat similar bill introduced in the House. Both measures have in mind the creating of a state board to co-operate with the Federal Employment Service, the Federal Fuel and Employment Administrators in stimulating an increased production of food and economy in the use and preservation thereof. The provisions of the Senate Bill are quite general in their nature, while the House Bill goes into specific enumeration of things to be done by the Council, in addition to general powers. Among the specific provisions contained in the latter proposed act, are, recited in substance only, the power and duty of the Council to enroll men not in the national army for carrying on agricultural industries, and all necessary enterprises within the state; to encourage the production of all things necessary for the supplying of the national army and the civilian population, the maintenance of agriculture and all industries and enterprises essential to the interests of the state and nation throughout the war; to adopt, or if the Council sees fit, to cause to be taken a census and inventory of the resources of the state in men and materials; to take such steps as may be, in the opinion of the Council, necessary or advisable for the public defense and security, for protecting routes of communication; including assistance to individuals upon whom the hardships of war may fall most heavily.

One paragraph of proposed House Bill No. 6, reads as follows: "It shall be the duty of every male citizen of this state between the ages of eighteen and fifty years who shall not be in the national army or a public officer, to be employed in a useful or lawful occupation during said period (of the war) and every such person who shall not be so em-

ployed shall be subject to be assigned by the said Council to such employment as the said Council shall from time to time determine and at such compensation as the said Council and employer shall agree to be reasonable and proper, provided, that the provisions of this act shall not apply to persons temporarily unemployed by reason of differences with their employers, nor to bona fide students during the school term, nor to persons fitting themselves to engage in trade or industrial pursuits." In connection with the foregoing language House Bill No. 6 would make it a misdemeanor for any resident of the state to refuse to obey, or fail to comply with any order of said commission relating to any of the provisions of the whole act. The Council of Defense provided for under either of the proposed acts, is to be appointed by the governor, and with respect to the latter act, it provides that no outlay of money by the Council or any of its agencies, shall be made or contracted for until first approved by the governor.

SENATE BILL No. 1, AND HOUSE BILL No. 3

Senate Bill No. 1, and House Bill No. 3, are intended to cover the question of voting by soldiers who are qualified in other respects as electors of the State. Are intended to cover the field of primary elections, and of general elections. Common features of the two bills are those of providing for a commission of three persons, drawing five dollars per day and expenses. The House bill makes the governor one of the proposed commissioners. Each bill has provisions intended to make the membership appointed thereto non-partisan in complexion. The bills are long in terms, necessarily so, to embody the details deemed to be required to preserve the purity of ballot and elections, and extend the right to vote to absent soldiers and sailors in service.

HOUSE BILL No. 8

House Bill No. 8, is one providing for the establishment of an orphanage and home for all homeless children of fathers who are in military service. This bill carries an appropriation of \$40,000.00 for the erection of the home and its maintenance for the first two years.

HOUSE BILL No. 9

House Bill No. 9 is one providing for the payment of an amount of \$17,500.00 to the widows and families of three officers who were killed in Graham county, while engaged in enforcing the military registration laws of the United States.

HOUSE BILL No. 2

House Bill No. 2, is a distinct bill going directly to the same subject covered

in the paragraph of House Bill No. 6, which is above set out in full. This bill declares it to be the duty of every able-bodied male resident of this state between the ages of eighteen and fifty years, inclusive, to be habitually engaged in some lawful, useful, and recognized business, profession, occupation, trade or employment. Whenever the Governor of this state shall issue a proclamation determining such employment to be necessary and essential for the protection and welfare of this state and the United States. That thereafter such males who shall fail or refuse to be so employed for at least thirty-six hours per week shall be guilty of a misdemeanor and subject to fine of not more than three hundred dollars or imprisonment for not to exceed three months, or both such fine and imprisonment. The fact that the accused shall be in possession of money or income sufficient to support himself and those dependent upon him for support is not to be a defense in a prosecution under the act. The act provides power in the Director of labor to provide rules and regulations as to labor; to assign persons to situations for employment. Exempts from its provisions persons temporarily unemployed by reason of differences with their employers. Makes it the duty of officers to seek out the unemployed. A prima facie case of violation of the act is to be made out by proof that an accused habitually loiters in idleness in street, depots, pool rooms, hotels, stores or other public or private places.

HOUSE JOINT RESOLUTION No. 3

This resolution calls attention to the fact that whereas the conservation of food is essential "when civilization is in a death grapple with an enemy which threatens its destruction;" and to the further fact that America is the only self sustaining nation engaged in the present struggle; and then declares in favor of extending the card system of rationing food, as now used in the city of Phoenix, throughout the entire state of Arizona, and in favor of action by the Arizona Council of Defense, the Federal Food Administration, to extend and co-ordinate such card system so as not only to include wheat products, but sugar and other essentials as well. The resolution also calls attention to the Food Administration at Washington, to the seeming necessity of control in the selling prices of substitutes for wheat products.

HOUSE BILL No. 10

This bill is intended to permit banks and trust companies, organized under state laws of Arizona, to become members of Federal Reserve Bank; to vest in such banks all powers conferred on

member banks of the Federal Reserve; to make such state banks subject to all the provisions of the Federal Reserve act, and also subject to the regulations of the Federal Reserve Board; to permit the authorities of this state to accept the audits and examinations of state banks made pursuant to federal regulations in lieu of those required by state law; to permit such banks to make such disclosures to Federal authorities, as to their financial condition as may be necessary. The proposed measure does not on its face disclose the reason for its enactment.

Several subjects which were included and specially referred to in the call for a special session of the legislature have not as yet been presented in the form of bills. Every bill so far presented, carries an emergency clause.

Readers of the Magazine must bear in mind that the recitals in this article as to contents of bills, do not in any case cover all the recitals of any proposed measure, only giving the essential ideas of each. Should also bear in mind that the bills are only "proposed," and that being the case, readers should follow the future of any bill which affects their interest an attention, and watch its course.

It is too early to anticipate what form any of the bills above mentioned will finally take in their passage, if passed at all. The subjects under consideration and referred to in the bills are subjects for careful legislative action. The journals of both branches of the legislature contain resolutions announcing an intention of passing only such bills as will be 100 per cent American, and free from anything savoring of politics or partisanship.

Arizona Must Yet Put Over Her Quota

(Continued from Page Four)

his life down upon the altar of liberty.

Remember your thrift stamp pledge and have it daily before you. Let the words and true spirit of that pledge be your individual rule of action for each day and every day.

President's Added Appeal for Thrift and Economy

Once again President Wilson has made an appeal to the people. Made an appeal for thrift. The words of that appeal are:

"This war is one of nations—not of armies—and all of our 100,000,000 people must be economically and industrially adjusted to war conditions if this nation is to play its full part in the conflict. The problem before us is not primarily a financial problem, but rather a problem

of increased production of war essentials and the saving of the materials and the labor necessary for the support and equipment of our army and navy.

"Thoughtless expenditure of money for non-essentials uses up the labor of men, the products of the farm, mines and factories, and overburdens transportation, all of which must be used to the utmost and at their best for war purposes.

"The great results which we seek can be obtained only by the participation of every member of the nation, both young and old, in a national concerted thrift movement. I therefore urge that our people everywhere pledge themselves, as suggested by the Secretary of the Treasury, to the practice of thrift, to serve the Government to their utmost in increasing production in all fields necessary to the winning of the war; to conserve food and fuel and useful materials of every kind; to devote their labor only to the most necessary tasks, and to buy only those things which are essential to individual health and efficiency; and that the people as evidence of their loyalty, invest all that they can save in Liberty bonds and war savings stamps.

The securities issued by the Treasury department are so many of them within the reach of everyone that the door of opportunity in this matter is wide open to all of us. To practice thrift in peace times is a virtue and brings great benefit to the individual at all times; with the desperate need of the civilized world today for materials and labor with which to end the war, the practice of individual thrift is a patriotic duty and a necessity.

"I appeal to all who now own their Liberty bonds or War Savings stamps to continue to practice economy and thrift and to appeal to all who do not own Government securities to do likewise and purchase them to the extent of their means. The man who buys Government securities transfers the purchasing power of his money to the United States Government until after the war and to that same degree does not buy in competition with the Government.

"I earnestly appeal to every man, woman and child to pledge themselves on, or before the 28th of June, to save constantly and to buy as regularly as possible the securities of the Government; and to do this as far as possible through membership in War Savings societies. The 28th of June ends this special period of enlistment in the great volunteer army of production and savings here at home. May there be none uninterested in that day.

(Signed)

WOODROW WILSON."

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1c. Paid
Phoenix, Ariz.
Permit No. 18

ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS' MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME FIVE

PHOENIX, ARIZONA, JUNE, 1918

NUMBER SIX

Farm Land Assessments Since Statehood

The figures which follow show, year by year, the amounts which appeared upon the tax rolls of the various counties of the state, as the assessed valuation of farm lands and improvements thereon, including irrigated, dry-farming and grazing lands. Also the percentage relation thereof to the total values of all property upon those rolls.

	Valuations	Per Cent
1912—	\$18,173,333.11	12.7
1913—	\$41,334,907.41	10.7
1914—	\$46,238,468.60	11.2
1915—	\$45,638,845.43	10.8
1916—	\$45,426,194.11	9.2
1917—	\$53,165,013.00	7.6

These figures show an increase since 1912 of nearly three fold in values, with the percentage of total amount of taxes reduced from 12.7 to 7.6. Is the farmer interested in the question of why his taxes should not be still lower, and why shate expenditures have increased four fold since statehood?

EDITORIAL COMMENT

Increased Valuations. Increased Taxation---Matters of Concern to all Classes of Taxpayers

IN several recent issues of this Magazine articles have been published showing the increased valuations of several different general classes of property in the state, since statehood. These articles were predicated upon an article which showed the valuations of all property of the state for taxation purposes from the year 1912, up to and including 1917, with figures showing the increases year by year, in comparison with the increased cost of state government for the same periods, and for each year thereof.

Purposes of Comparative Tables Was to Arouse Personal Interest on the Part of Taxpayers of all Classes

It was not the purpose of any article to magnify the importance to the state of any interest whatever. No intention to set up such a comparison that one class of taxpayers would be put before the public in any light which would amount to either a showing of preference on the part of taxing officers, nor in the light of any showing upon which to base any claim of any discrimination against any class.

It was the purpose of these articles to show the reading public the real facts in which that public should be vitally interested as taxpayers, which fact is the one which concerns all of them in common, and that is the fact that the cost of running the state government has since statehood increased over four fold. The articles did show, and other articles will show, in just what proportion all classes of taxable property have contributed to that increase. This showing will be made, and has been made, that every taxpayer, whether he is a farmer, a merchant, a miner, a large corporation or small one, may be shown the particular interest each should have in that increase.

How Does the Matter of Increased Taxation Affect Each Taxpayer?

If there is no interest in a general increased cost in the conduct of state affairs, only in the event the particular reader is called upon to contribute to

that increase, then by pointing out as has been done in these various articles, just how the pocketbook of each class of taxpayers has been actually affected by that increase, the only thing possible to be done, when figures are given calculated to arouse the interest of each class of taxpayers.

One purpose in the whole matter has been to challenge the attention of every member of the taxpaying public to the fact that notwithstanding an enormous increase in the assessed values of all taxable property of the state, the rate per hundred which that member pays upon any class of property which may appear upon the tax rolls in his name, has remained about the same. That averaging the matter up in biennial periods, the average has increased.

Another purpose in the whole matter has been to challenge attention of every member of the taxpaying public to the fact, that notwithstanding the result produced by an actual increase in assessed valuations of the particular class of property in which that member is particularly interested as a taxpayer, that with actual increase in the unit values used to assess his property, the final rate per hundred has increased with the years upon that class of property as well as other classes of property.

How Does the Matter of Increased Taxation and Public Expenditure Affect the Whole Public?

The ultimate purpose in the whole series of articles has been and will be, to challenge the minds of the thinking public to the question of whether they are not paying "too much for their whistle" when they compare the necessities for government, with the adopted means means used in supplying those necessities. The question of whether or not the increased benefits received by the people governed really warrant a four fold increase in the cost thereof.

The object is and has been to make the increased cost of conducting state, a matter of personal interest to every taxpayer, by showing just how it has affected him in his personal financial contri-

bution thereto.

It is not a matter to be thrown aside with any mental observation which may be applied thereto by any taxpayer, that the other fellow pays more than I do, why does this increase concern me?

The matters involved in these articles are matters which go directly to the questions now before the whole American public. That question of giving particular and careful consideration of every expenditure—entire public or private—that both may be curtailed where possible, to the end of conserving the result of any money producing element in the public, by positive economies, that the general result may be more money to win the war. It is the duty of every citizen to so use his powers, his thoughts, and his actions as a citizen, not alone to reduce the amount of his individual expenses, that more of his individual funds may be used in purchase of liberty bonds, purchase of "baby bonds" and in contributions to Red Cross and other absolutely essential war funds, but to go farther than this, and see to it that his neighbor is relieved as far as possible from unnecessary expenses which drain the income of that neighbor.

War Thrift Pledge Makes an Over Cost of Public Affairs a Common Subject for Consideration by All

The proper "get-together" spirit, makes the matter of increased cost incident to public expenditures, a matter of real concern to every citizen. The war-savings pledge of every citizen to be carried out with its full intent, makes it the particular duty of each citizen. Once again is quoted from that war-savings pledge the words:

"I hereby pledge myself to assist my country in the conservation of its resources and man-power during the period of the war. I will devote some moments of every day to determine wherein I can personally save clothes, food, fuel, or other wealth. I will re-adjust, so far as I can, my method of living so as to reduce my personal demands, requiring the labor of others, in order that my country's

full efforts may be exerted against our enemy."

It has been the humble duty of this Magazine to present the facts to its readers. Those facts show a constantly increased volume of public expenditures. Increased volume and amount not only in matters of state, but in matters of county, city, and local government. In the performance of that duty it was apparent that such increases had their cause and origin in some demand on the part of some individual, or numbers of individuals, that new public activities be undertaken at public cost. The natural sequence is that any reduction of the increased cost, can only come from action of the public, concerted action on the part of each member of that public, will result in lessening the very demands for increased public service and increased public activities, which demands at the outset have each contributed to the gross amount of increased costs upon all sides apparent.

**Time to Talk Economy—Not to Stir Up
Class Feeling for Political Purposes
or Otherwise**

There has been no suggestion that one class of property should be increased in values, that another class might be decreased. The only thing ever suggested in any article in the Taxpayers' Magazine, has been that if as to all the property in the state, there was an overexpenditure of money for public expenses, then it was up to the people to cut out that over-expenditure. That particular phase of the matter has always been a live question. It is more alive than ever, in view of the necessities of the war.

Being so, the time is not one in which to put any class against any other class. Not time to suggest that assessing officers are not doing their full duty in arriving at the valuation of any class of

property for the purposes of taxation. With every idea of the present time based upon a fully united effort on the part of every interest in the United States, to get together in one massed and concerted effort to win the war, there may be some potent question as to the real patriotism of anyone, who at the present time, would attempt to profit, politically or otherwise, by stirring up class feeling, and any consequent discord among the people and interests of this state, when, whatever may be said or written, every interest has thus far been of one mind—have thus far contributed of their wealth or of their savings—to win the war.

Useless extravagance in the use of public money benefits no taxpayer at any time. The present time demands more than usual activities towards economy. Possible economy in that line may come from united action on the part of the entire public, inspired by individual suggestions to that end.

**Increased Valuations as it Affects Taxes Upon
the Farming Industry of the State**

IN the year 1912, there appeared upon the tax rolls of the state as the total value of all farm lands and all improvements thereon, the sum total of \$18,173,333.11, out of a total valuation of all property of the state taxed upon those rolls, of \$140,338,191.08. Taking one hundred as the total upon which to figure the percentages paid by farm lands and their improvements that year, the percentage figures 12.7.

In the year 1913, the total valuations of farm lands and improvements, was \$41,334,907.41, out of a total valuation of all property in the state of \$375,862,414.66. The percentage of taxes paid on account of farm lands and improvements was 10.7.

In the year 1914, the total valuation of farm lands and their improvements in the state was \$46,238,468.60, out of a total for all property in the state of \$407,267,393.11. The percentage of state taxes paid by farm lands and their improvements was 11.2 per cent.

In 1915, the tax rolls showed \$45,426,194.11 as the total valuation of farm lands and improvements, out of a total of \$420,532,411.90 as the valuation of all property in the state. The percentage of taxes paid by the farm lands and improvements being 10.8.

In 1916, the value of farm lands and improvements was \$45,426,194.11 out of totals for all property in the state

of \$486,406,518.50. The percentage of taxes paid by farm lands and improvements was 9.2.

Upon the rolls for 1917, there appears \$53,165,013.00 of values placed upon farm lands and improvements, out of the total for all property appearing upon those rolls, of \$697,526,619.68. The percentage of state taxes paid by these lands and improvements was 7.6.

Speaking of irrigated lands alone, the records, so far as available, show the number of acres assessed during the year 1915, to be 348,357; for the year 1916, 364,227; and for the year 1917, 437,026.

**The Unit Value of Farm Lands
Decreased**

The unit value used in making assessments of irrigated lands in 1915, was \$78.98; the unit value in 1916 was \$74.94; and the unit value used in 1917 was \$74.08. By unit value as used in this connection is meant the average value per acre upon all the number of acres of irrigated lands assessed in the years referred to above.

The total valuations given as for farm lands and improvements, include also lands classed as grazing lands and dry farming lands. The acreage of these lands was 1,542,238 with a unit value of \$5.67 per acre in 1915; the acreage of

these lands was 1,948,425 with a unit value of \$4.76 in 1916; the acreage of these lands increased to 3,524,786, with a unit value of \$3.29 per acre in 1917.

When the figures shown above are considered together, when the increased acreage of lands assessed is taken into consideration with the unit values of each year, and the totals of values of that year compared with the total values of other years, the difference is accounted for. Whatever that difference may be, it is due mainly to an increase in the number of acres placed upon the rolls. Going outside of the figures, and taking into consideration the fact that several large irrigation projects have been opened up in the state during the past four years. Also considering that older irrigation projects have been enlarged so as to take in more acreage than before, the changes in the aggregate values of irrigated lands as a class of lands, may be accounted for by the result of an actual growth of the farming industry as connected with the irrigated lands in the state. In other words, the unit value has actually decreased, while due to an increase from a normal growth in the number of acres under cultivation, the total values show an increase.

When more details are given as to

(Continued on Page Four)

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS' ASSOCIATION OF ARIZONA

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INCREASED VALUATIONS AS IT AFFECTS FARMING INDUSTRY

(Continued from Page Three)

the value of improvements upon lands, distinct from the lands, the above assertion will appear to have been well made. In 1915, the aggregate value of improvements upon irrigated lands was \$2,283,659.00; that value in 1916 was \$2,544,422.00 and in 1917, \$2,753,801.00. With respect to improvements upon dry farming and grazing lands, those improvements were assessed at a total of \$2,606,439.00 in 1915; a total of \$1,957,990.08 in 1916, and \$1,843,152.62 in the year 1917.

It may be noticed that the acreage of dry farming and grazing lands increased from 1,948,425 acres assessed in 1916, to 3,524,786, assessed in 1917. The total values of that class of lands was \$9,275,347.00 in 1916, and notwithstanding the fact that the acreage was increased by nearly 600,000 of newly assessed lands, the value of all upon the 1917 rolls was \$11,620,455.62.

The Question is Why Farmers' Taxes Do Not Decrease With Large Increased Valuations of Property for Tax Purposes

When it is considered that the total cost of running the state government in

1912, was about \$1,000,000.00, and the cost in 1917, was over \$4,000,000. When in 1912 the valuation of farm lands and improvements was \$18,173,000.00, as compared with \$53,165,013.00 in 1917. When these figures are considered, the pertinent inquiry to be made by the farmer might be that of inquiring why he should pay nearly the same amount of taxes now as he did in 1912, when the values of the property in his class, has increased nearly three fold. Also why it costs nearly four times as much to run the machinery of government now as it did in 1912. Ask himself the question for his individual answer, whether or not he gets more protection from the state or more benefits from existing conditions of public activities of government, than he did in 1912. Or ask himself as one of the farming class, why it is that with the total valuations of all property in the state, increased from \$140,000,000.00 in 1912, to \$697,000,000.00 in 1917, his tax rate per hundred in both state and county taxes has not been materially decreased. These mental questions are suggested as pertinent to a further question for consideration of members of the farming class, and that is the question of possible economies in the matter of public expenditures, a possible use of the pruning knife or hook to remove dead and useless branches, or a weeding out where possible to the end of a more productive growth and development of what should necessarily be left to thrive.

The farmers of the state have their "lean years" and their "fat" ones. Taxes are persistent and ever present whether the year be lean or fat. With years of surplus and plenty, that surplus would be increased with taxes decreased. In years where the crops are light and the prices low, the question of taxes may mean interest upon borrowed money to pay taxes.

The question of public economies as a means of lessening public expenditures, and effecting a smaller tax rate, is a matter of concern to every member of every farming community in the state of Arizona. Is a matter of interest to every dry-farmer, and to every person who uses lands for grazing purposes.

In the present war emergencies, when every surplus dollar should be made to work for "Uncle Sam" to help win the war, that question of possible economy is one which no person may put aside as one which does not concern him. It is the individual duty of every citizen to study the question with a view of advancing if possible some suggestion as to possible reduction in the cost of government, that every other citizen may have the benefit of the suggestions and concerted action of all citizens in the matter.

Back Salaries Paid While Appeals Pending

IT has come to the knowledge of this Magazine, that in Santa Cruz county, payments of back salary claims amounting to over \$14,000.00 have been made notwithstanding the fact that there are two cases undecided in the Supreme Court, which directly involve the question of liability of that county to pay officers who were such between October 1913, and the time the county salary law of 1912 was declared unconstitutional in 1917, and the time when the legislature of 1917 enacted a law, which provided in effect that any officer who had received a salary under any law, used by the boards of supervisors as a basis of settlement of salaries, should be barred from successfully maintaining a suit for unpaid salary, in the event that the amount which he had received and accepted pending his holding of office, was less than the amount claimed on account of the 1901 law, or less than the amount fixed by board of supervisors, prior to the enactment of the 1912 salary law.

It appears that the Attorney General's office did notify the various county attorneys, including the county attorney of Santa Cruz county, to appeal cases involving the above matters. Under the law of this state, county attorneys in matters of that kind are under the supervision of the Attorney General.

State Policy to Treat Laws Valid Until Supreme Court Declares Otherwise

It has been the settled policy of the state for all officers of the state to recognize as valid, every enactment of the legislature until the Supreme Court has declared otherwise. Just why the county attorney of Santa Cruz county failed to follow that policy with respect to the legislative enactment in 1917, (that such claims could not be maintained if it appears salaries had been paid under some law treated as such) we are not advised. Nor are we advised as to why that attorney did not act upon the directions of the Attorney General's office, specially given in the matter. The only concern the taxpayers have is with the results produced by the failure. That result being a payment from the general fund of Santa Cruz county of over \$14,000.00, when the question of liability to pay similar claims was undecided in the Supreme Court.

Our information goes to the effect that the Superior Court of Santa Cruz county rendered judgment upon the claims since paid, that those judgments were

not appealed from. That following the judgments, mandamus suits were instituted to compel the payment thereof, which suits went by default. No appeals taken therefrom.

The records of that county show that no provisions were made in the budget of 1917, for any back salary claims. The records of that county also show that its outstanding floating indebtedness runs over \$40,000.00, upon which it is paying interest on outstanding warrants, not paid for lack of current funds. These facts, if shown in answer to the mandamus proceedings, would have been sufficient answer thereto. The board of supervisors are not authorized to pay any money out of the treasury, unless it is in payment of some one of the items provided for by the budget upon which they are at the time acting. The board can not exceed the ten per cent limits either directly or indirectly. Just why these features of defense were not interposed in the suits referred to, is not known to the Magazine.

It is the duty of boards of supervisors, and all other officers in charge of the distribution of public funds, to resolve any doubts as to authority to pay or not to pay, in favor of the public rather than in favor of the individual claimant of funds.

Payment of Back Salaries Leaves Taxpayers No Adequate Appeal

The situation in that county is that the taxpaying public has been deprived of the benefit of an appeal. Its money has been paid out. It has no remedy except suits against the board for unauthorized payment of public funds. In which suits it might be confronted with the judgments rendered by default on the claims paid. The situation is such that no matter how the Supreme Court may decide the question of liability to pay those claims, whether in favor of the county or not. If that decision is in favor of the county, then it is deprived of the benefit of it as law which should have been applied to the claims paid.

The Superior Court of Santa Cruz county could only act in the matter of the particular suits, according to the facts before it, and in its judgment as to the law applicable to those facts. That court cannot be blamed in the whole matter. Any blame to be placed must be upon those county officers, who have charge of the funds of the public, interested in claims against the public, so manipulated the whole situation that they got their money and the money of their friends, out of the county treasury.

It has been generally understood that

tacit agreements had been made to the effect that actual payments on account of back salary claims should be kept in abeyance until the Supreme Court had acted upon the whole situation. Even if that tacit agreement was not in force in Santa Cruz county, the county officials of that county knew that the matter was pending undecided in the Supreme Court, that knowledge alone, in view of the dual position in which they, or some of them, were as respects their public duty and interests in the claims presented and paid, should have been

knowledge sufficient to stay their hands until an undisputed and fully determined decision had been made by the Supreme Court in favor of the payment of those claims.

The public has no protection to its funds except it come through the exercise of the utmost good faith upon the part of every official whose duty it is to fully protect those funds. Good faith and the exercise thereof in any given case, may not properly be tested by covering results under a guise of technical security.

Should Arizona Question Matter of Railroad Rates Fixed by Government

SOME discussion has been brought out, and some action has been taken respecting railroad rates ordered by the Administration at Washington, and affecting railroad rates in Arizona. The two sides of that discussion is presented in the two telegrams, copies of which appear below. The respective ultimate merits of claims presented by either telegram, may be a matter worthy of lengthy discussion. The pros and cons thereof may interest the public of Arizona. However, after reading the telegrams which will give the readers an idea of those ultimate merits, this Magazine suggests some ideas which the public may take into consideration in connection with the question as to the propriety of attempting to force a decision upon the merits of a question, which has its inception as a war emergency and war necessity, at a time like the present. The telegrams are:

Washington, D. C., June 26, 1918.
Arizona Corporation Commission,
Phoenix, Arizona.

Am advised application Maricopa Creamery company pending before you involving rates on roads under federal control. These rates are exclusively within the jurisdiction of the director general of railroads. If there is anything you think should be done, please wire so that we may take the matter up here.

John Barton Payne, General Counsel,
Federal Railroad Administration.

Phoenix, Arizona, June 27, 1918.
John Barton Payne, General Counsel,
U.S. Railroad Administration,
Washington, D. C.

Application Maricopa Creamery company pertains solely to intrastate rates. If there has been congressional action expressly, or by implication, divesting

or purporting to divest the state of Arizona of its sovereign and reserved constitutional right to regulate its internal commerce, especially in matters which do not in any way impede or interfere with the Federal operation of railroads as a war measure, we shall be glad to have specific reference thereto and the specific section thereof. The statutes of Arizona clearly state how changes in intrastate rates may be made and it is not within the power of this commission to alter or change these provisions. Arizona has ever been burdened with excessive and discriminatory rates. Unjust and unreasonable advances will throttle industry and retard development of mineral and other products essential to the government in the prosecution of the war. Arizona has contributed more men to the colors, relatively, than any other state; she has responded far in excess of her Liberty Loan quotas; she has doubled her Red Cross and "Y" allotments and she is ready to make any sacrifice that will aid in the prosecution of the war, but we hope that co-operation may be permitted in a proper and lawful manner.

Arizona Corporation Commission

It may be assumed that any increase at all in railroad rates, whether freight or passenger rates, are matters of vital public concern. No argument is needed to the truth of the fact that when freight rates are increased that increase becomes an item of expense which has to do with every person who directly or indirectly comes in touch with the articles which are subject to that increase. The same with an increase in passenger rates. Whether travel be for business, for necessity or for pleasure, the question of railroad fares thus increased concerns

the person who travels, and concerns the people between whom he may be a link in commercial transactions.

Just so do increased taxes, increased business license taxes, increased income taxes, or any other means of raising public money under the various kinds of stamp taxes, license taxes, direct or indirect taxation of any kind, finally become a matter of concern to the people at large.

The public pays as the result of anything at all which increases the expenses of the business of the producer, the buyer or the seller.

That same public might finally be called upon to pay any shortage in net revenues of the railroads for operation thereof by the government during the period of the war, should such a deficit arise. That same public in such an event, sooner or later, would be called upon to make good the guaranteed income as guaranteed by the government to the railroads.

The government at Washington has recognized an apparent necessity for increasing railroad rates. Have recognized that necessity as a necessary incident to present war conditions. Whatever may be the foundation for that apparent necessity, sufficient for the present should be the fact that the necessity is apparent and deemed to be such by the administration.

"War Rates" Proposed Are Based on a Uniform Percentage Increase Over Old Rates

The manner of making that increase has been to apply a certain percentage of increase equally to and over old established rates. If the old rates were discriminatory; if those old rates worked hardships upon any community, then that hardship is continued with increased force for reason of a flat percentage increase in rates. If, on the other hand, a larger revenue from railroad operations is necessary to meet war conditions affecting those railroad operations under government management, and the old rates were just at the time, then a flat percentage increase cannot be deemed to be, nor found to be, unjust as to any community. The question of inequality of railroad rates has been constantly before the public for years. That question has been ever present before the Interstate Commerce Commission, mooted by the railway commissions, and corporation commissions of the states upon issues sharply defined, with arguments based upon surrounding facts and circumstances, ably presented, pro and con. That question had not been settled before the war situation arose. It is not to be expected that it can be set-

tled while the war is on, nor ever settled to the satisfaction of all classes of shippers, travelers, or patrons of railroads.

Keeping in mind the foregoing, the question arises as to whether or not the present time is an appropriate time to continue to press claims of a state or community, that the railroad rates pertaining thereto are unfair for any reason. Will the answer to those claims be such answers as might properly be given by the final arbiters of the question, were it before them when their official minds were not engrossed in more imperatively absorbing questions. Will not an adverse ruling under present conditions, become the means of retarding a later and more favorable ruling by the same authorities, were the issue not pressed to a decision at once, but left to such time as the apparent necessities for increased rates, may become so fully demonstrated as to the real fact, that the real necessities do not demand such a large increase, or possibly no increase at all.

No Doubt as to Supremacy of Police Powers Being in United States

The power to make rates and enforce rates is a police power of the government. That government at the present time is using its police powers to the full of the limit thereof, that it may successfully prosecute the present war. Incident to, and as one of the minor incidents thereof, as that police power is being used for the main purpose of winning the war, is the incident of raising railroad rates. If that power is made the subject of question as regards rates, then what other similar question will be presented by other interests, other classes of persons and of people, similar questions as to the extent of use of that police power, and of power to use it as it has been used, or may become necessary to use it, respecting other rights. If the question is mooted in one instance, does it not become an open question to be mooted in many other instances.

Acquiescence in Government Orders Prevailing Rule of Order in All Instances

The railroad companies have never questioned the power of the government to assume control of their operations as a war measure for war necessities. No question has been raised as to any inequalities in the graduated scales of income, and excess income taxes, as that scale was embodied in an act of Congress also as a war measure. Buildings, offices and factories, and the wheels of manufactories of entire communities were stopped during the coal shortage,

and the persons effected raised no claim of injustice to them. The food administration has regulated the amounts of food to be used. The question of useful occupations has been the subject of legislation in several states, individual rights were affected, but the power to regulate has not been questioned.

Acquiescence a Test of Patriotism

The action of silent acquiescence by every class of the people of the United States, of every member of any class, in accepting without question action by the government as warranted and justified as necessary to war success, speaks the patriotism of that people, more eloquently than it can be spoken in mere words. Patriotism thus spoken by action. Patriotism to the extent of sacrificing for the time being, individual rights, that as a nation we may stand undivided for a just right for freedom and for final individual liberties to the peoples of the whole world.

With the foregoing remarks and suggestions, the question may be repeated, is the time a proper one to question the results of action of the federal authorities when it has deemed it necessary to increase rates for railroad service, even assuming those rates may be unjust to the people of Arizona, or to the people of Arizona and sister states?

Laws Enacted at the Special Session of State Legislature

The special session of state legislature spent about thirty days and \$25,000.00 of money in enacting twelve laws, two of which were vetoed by the governor.

Included in these laws was one appropriation of \$17,500 to the widows of three officers who were killed in Graham county while attempting to arrest draft evaders. The appropriations contained in other laws, are in the main uncertain in amount, and possibly necessarily so, due to the fact that the field to be covered is new, and the actual cost of carrying out provisions of enactments thus an uncertain feature. Particularly so with the measure relative to votes by soldiers in the service.

Arizona Council of Defense

The bill creating the Arizona Council of Defense, provides for an expense allowance to members of not to exceed five dollars per day, when engaged in the work. Provides for a salaried secretary at \$3000 per year and expenses. The sum of \$26,000.00 is appropriated to carry out the main purposes of the act, and a further sum of \$25,000.00 is appropriated to the purpose of co-operating with

he United States in destroying predatory animals and rodents, with the further sum of \$3,000.00 to encourage Americanism.

Property of Soldiers Not to be Sold for Taxes

The bill to protect the civil rights of soldiers while in active service contains many provisions, among them one which pertains to taxation. This provision is given in full as follows:

**ARTICLE IV.
Taxes**

"Section 13. (a) That the provisions of this section shall apply when taxes or assessments, whether general or special, falling due during the period of military service in respect of real property owned and occupied for dwelling or business purposes by a person in military service, or his dependents, at the commencement of his period and still so occupied by his dependents or employees, are not paid.

(b) When any person in military service, or any person in his behalf, shall file with the County Treasurer, or other officer whose duty it is to enforce the collection of taxes or assessments, an affidavit showing (1) that a tax or assessment has been assessed upon the property which is the subject of this section; (2) That such tax or assessment is unpaid; (3) That by reason of such military service the ability of such person or persons to pay such tax or assessment is materially affected, no sale of such property shall be made to force the collection of such tax or assessment or any proceeding or action for such purpose commenced except upon leave of court granted upon an application made therefor by such County Treasurer or other officer. The court thereupon may stay such proceedings or such sale, as provided in this act, for a period extending not more than six months after termination of the war.

(c) When by law such property may be sold or forfeited to enforce the collection of such tax or assessment, such person in military service shall have the right to redeem or to commence an action to redeem such property at any time not later than six months after the termination of such period in military service, as hereinbefore defined, but in no case later than six months after the termination of the war; provided, however, that this shall not be taken to shorten any period now or hereafter established by the laws of this state for such redemption

(d) Whenever any tax or assessment shall not be paid when due, such tax or assessment due and unpaid shall bear interest until paid at the rate of six per centum per annum, and no other penalty or interest shall be incurred by reason of such non-payment. Any lien for such unpaid taxes or assessments shall also

include such interest thereon.

(e) If the assessed valuation of the property of any person in military service, together with the assessed valuation of the property of the wife of such person in military service, if married, at the date of his entering military service shall not exceed \$3,000, then in that case no tax whatsoever shall be levied against the property of such person in military service or his wife, if married, during the period of military service. All persons in military service shall be exempt from any poll or school tax during the period of military service."

Night Schools to Teach English
The legislature also provided for schools in which may be taught the English branches to adults, after working hours. This bill is also given in full, as follows:

"Section 1. In any common school district within the State of Arizona where there are fifteen or more persons over 16 years of age, who either do not read and write the English language, or who do not speak the English language, and who desire to attend a night school, the Board of Trustees of such district are hereby authorized and empowered to establish a night school, for the teaching of the English language, American ideals and an understanding of American institutions.

Section 2. For defraying the expenses of such night schools until June 30th, 1919, there is hereby appropriated out of the general fund of the State not otherwise appropriated, the sum of Twenty-five Thousand (\$25,000.00) Dollars. The State Auditor is hereby authorized to draw warrant on the general fund of the State for Twenty-five Thousand (\$25,000.00) Dollars, payable to the State Superintendent of Public Instruction, and the State Treasurer is hereby authorized to pay said warrants.

The State Superintendent of Public Instruction shall apportion the said sum of Twenty-five Thousand (\$25,000.00) Dollars to cover the various counties of the State, according to the daily average attendance of such night schools, which attendance shall be ascertained each month from reports of school trustees to the county school superintendents, who shall, in turn, transmit the same to the Superintendent of Public Instruction."

Do Not Employ Slackers

At the present time laborers are scarce in Arizona. That being so, persons who present themselves in various quarters, as ready and willing to work, might be accepted and given employment more quickly and with less inquiry as to their past, than would be made under ordinary conditions. Employers of labor should take the precaution, however, to

read the recent enactment, as follows:

"Section 1. It shall be unlawful for any person, firm or corporation to give aid, comfort, or employment, or to otherwise abet any person who is a slacker or deserter from military service under the selective service laws and regulations of the Federal Government of the United States.

"Section 2. The failure of any person, firm or corporation to comply with the provisions of this act shall be a misdemeanor punishable by imprisonment of any person so convicted, or the agent of any firm or corporation so convicted, for not less than fifteen nor more than ninety days, and each days' continuation of such violation shall constitute a separate offense."

Having read it, the provisions should be remembered and applied to applicants for positions. Otherwise an employer, however innocent of any intention so to do, might become a lawbreaker, and be subject to imprisonment, should he unwittingly do what the law forbids, "give aid, comfort, or employment, or to otherwise abet any person who is a slacker or deserter from military service."

No Borrowing

UNDER the above heading the Saturday Evening Post, speaks editorially as follows:

"Whatever else may be debatable in this matter of economizing to meet the war, one point stands out clearly enough: There should be no borrowing; no use of credit except for productive or really necessary purposes.

That applies to the individual. He has no business to borrow or go into debt except to increase his productivity or for some fairly unavoidable need. If his house has burned down he might be excused for borrowing to rebuild it. He is not excusable for going into debt to build an addition, or to buy needless luxuries, or for any such purpose.

It applies specially to states, towns, and other political divisions. Streets and roads must be kept in reasonable repair and necessary upkeep should be attended to; but all public improvements that can not justify themselves as contributing directly to the health and industrial efficiency of the community should be deferred. The new court house, the new park, the new highway can wait until this other tremendous public job of winning the war is disposed of.

The rule is incumbent upon all public bodies, not only because their un-

dertakings are on a large scale, and not so set up a more formidable competition with the National Government for materials, labor and credit, but because their example must have great influence on individuals. The man who wishes to build a new garage this year will probably lay aside his plans when his city lays aside its plans for more adornments and conveniences.

Small towns and rural districts must remember this duty as well as big cities. An unnecessary public improvement, undertaken now, advertises obtuseness to national need."

It might have added that the same ideas there stated could be well applied to prospective budgets proposed for new fiscal years in the states and subdivisions thereof, counties, cities, school districts and the like.

Whether the money be borrowed to make new improvements, or be raised by general tax levy, when that money is spent, and its expenditure involves the purchase of materials, involves the employment of labor, and takes a portion of the energies of the particular community, and devotes those energies to local projects, to the extent this is done, that locality becomes a competitor of the government.

If we act consistently with the spirit of the times, the people of Arizona, and the people of every locality thereof will so act with respect to new public work, proposed and to be accomplished either from the proceeds of bonds, or the proceeds of tax levies, that no claim may be made in any quarter that such people are requiring an unnecessary public improvement, and thus advertising any obtuseness to National needs.

In case any doubt exists as to the actual necessity of anything proposed along lines referred to, resolve that doubt by doing without, using the old, and conserve the means, money and energies for National purposes. In case of doubt, play safe in all cases.

Questions and Answers

What does the statute mean with respect to amount of increased taxes which may be raised in one year over amount raised the previous year, when it says: "All taxes shall be levied or voted in

specific sums and shall not exceed the amount specified in published estimates, and in no event shall the aggregate amount of taxes to be raised, excepting taxes for school purposes, and bond purposes, exceed ten per centum greater in amount than the total sum levied and collected from all sources, other than for school and bond purposes, during the year next prior to that in which the levy is made?"

This particular provision was constructed by the Supreme Court in case —Railroad company v. Graham County, 170 Pacific Reporter, at Page 797, where the court says: "The board of supervisors, in levying taxes for all county purposes in the year 1915, was authorized to exceed the levy of the previous year 10 per centum and no more, and any excess over that amount contained in the levy was beyond its jurisdiction. When the board discovered that the levy was excessive and beyond the limit as fixed by law, it was its duty to scale the estimate down so as to comply with the limitations fixed by sections 4839-4842. It was for the board to determine which item or items of the estimates for county purposes should be reduced so as to conform to the limit fixed by law. If the law limits the expenditures of the county for the current year so that the payment of some debts lawfully and rightfully contracted must be postponed, it is not the fault of the board. The legislature is the source of the taxing power, and, without a grant from it, no taxes can be levied or collected. It has seen fit to limit this power, except in special enumerated cases, so that the burden on the taxpayer for the current year may not be more than 10 per centum greater than the preceding year. This was done in the interest of the taxpayer, a policy based upon common sense and reason, and upon an experience and knowledge that, unless some restraint be placed upon counties, the burdens of taxation may be severely hard upon the taxpayers.

Reading this language and applying it to the question asked above, there seems to be the plain answer, which is that if the amount of taxes raised for purposes of a county other than for school and bond purposes, for a year say, 1917, was for illustration \$50,000.00 then no more than \$55,000.00 could legally be raised for those same purposes in 1918.

An estimated budget for the year 1918 is ten per centum in amount greater than the budget adopted for the previous years of items for county purposes other than school and bond purposes. In that budget the estimated receipts from sources other than taxation, is less than the actual revenues received from those other sources during the previous year, under these circumstances, is it proper for the board of supervisors to adopt the new budget, and make up the difference due to estimated decrease in other revenues, by a tax levy which raises more than a ten per centum increase of amounts of taxes than the amount of taxes raised in the previous year?

The answer to this question is made by the answer to the previous question. When the court construed the language of limits of taxation as between one year and the previous year, and says that the board "was authorized to exceed the levy of the previous year by ten per centum and no more," and also gives the reason of the legislature upon which that limit is based, as being "it has seen fit to limit this power, except in special enumerated cases, so that the burden on a taxpayer for the current year may not be more than ten per centum greater than the previous year, and when in the same case above referred to the Court used further language as follows:

"If the board of supervisors can expand the limit fixed by law for one county purpose, it can do the same for any and all county purposes. If the board may ignore the statute for one purpose, then it is frittered away, and the burden of taxation which it is intended to curb may be extended without limit."

Reading that language in its true meaning and effect, the answer must be that a board of supervisors has no power to adopt a budget in such an amount, that the ten per centum limit of taxation will be exceeded as the means of providing money to pay for the expenditures contemplated in that budget. If the budget as adopted is to the full ten per centum in increased amount over the previous year, the contemplated expenditures for county purposes, other than school and bond purposes, must be paid from other sources than taxation, if the amount of taxes not increased by more than ten per centum over the amount of the previous year, will not pay in full the estimated expenditures.

ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS MAGAZINE

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NUMBER SEVEN

ASSESSMENT ROLL VALUATIONS FOR 1918-1919

Subject to such changes as may be made by the State Board of Equalization, the aggregates of the rolls as equalized by the various boards of supervisors, of properties of the classes named appear as follows:

Lands and Improvements	\$ 62,007,166.00
City and Town Lots and Improvements	64,955,177.00
Mines, with connected properties	489,256,373.00
Railroads, Standard and Narrow Gauge	98,416,663.00
Telephone and Telegraph Lines	3,212,399.00
Gas, Light, Power and Water Companies	7,549,840.00
Banks and Banking Property	8,577,683.00
Stocks of Merchandise	19,163,569.00
Cattle (all kinds)	31,081,202.00
Sheep	5,945,942.00
All Other Classes of Property	41,820,394.00
	\$831,986,408.00
Less Exemptions	4,677,811.00
Totals for State	\$827,308,597.00

Last year's net total valuation was \$697,526,619.00. The above totals show an increase over last year of \$129,781,958.00

EDITORIAL COMMENT

6100 Per Cent Increase in Number of State Automobiles

The State of Arizona is the owner of sixty-one automobiles. This is quite a good increase from the early days of statehood, when one lone white car graced the streets of Phoenix, and the highways to public institutions as State of Arizona No. 1.

Among the numbers included in the increase are three new cars for members of the Commission of Public Institutions, the traveling of whose members seems to have taken on a new impetus.

In the days of "Old Dobbin" there were periods of rest on his part, necessarily so as the horse must eat, drink and rest. The automobile needs no rest, its running time may be measured solely by the supply of oil, gas, water, with an occasional stop for changing tires, or replacing with new ones. Neither ideas of humane treatment, nor the constitutional "eight hours" for laboring day, control the time every twenty-four hours which the state cars can work, and do work. Six days shalt thou labor, and rest the seventh day, has been forgotten, at least those words have never been whispered into the speedometer of many of these cars. Speed laws have no control over some of them, and sixty to seventy miles upon paved roads, speaks well for the judgment as to speed of cars displayed in the purchase of at least one

of the Public Commission cars.

Sixty-one state cars since statehood, and not all the state departments furnished with automobiles, is keeping pace with the other increases in so-called necessities of the state, and giving some odds. The expenses of administration of state affairs has increased in the proportion of four to one, and the expenses of automobile service for state officials has apparently increased sixty-one to one. All since statehood. All along the prevailing idea in some quarters is "its a good thing for us, lets have it, the public pays for it anyway."

Just how much the activities of the state administration will be hampered should the administration at Washington require the use of gasoline tickets, that gasoline be conserved to use for actual necessities, is a summer problem to be worked over in vacation hours, at the same time with, as a diversion from solving the problem "how old was Ann." There will likely be as many reasons advanced as reasons for use of gasoline, as there are and have been answers to that older question, many of which reasons may be as far from the correct answer as well.

It may be stated that a large number of the total of sixty-one state cars, are charged against the Engineer's office as

incidents to state road construction. After spending several hours under our car, over it, and inside of it, checking up and correcting the results of a somewhat lengthy trip over one of our state highways—so-named—the idea comes forth and cannot be dispelled from utterance, which is that more money spent on roads, and less spent in means of locomotion over the roads, would be appreciated by many travelers of the traveling public. The thousand to two thousand dollars which an extra car costs the public, would smooth out many a rut in the roads. Would save the profane eloquence of travelers for use in more worthy causes, and then all of our neighbors have ears, which should be spared from the exhaust of utterances provoked while repairs are under way as the results of those little ruts.

This may be an age of automobiles. They may be a necessity. In this matter of automobiles for official use, however, as with other similar matters, strict necessity for purchase and use should be the extent of provisions made and paid for when the bills come out of the state treasury. Certainly any use of automobiles maintained at public expense, should be confined to that which is strictly public business, and not for private pleasure.

The Budgets for County Purposes for Fiscal Year 1918-1919

BY the time this issue of the Magazine gets before its readers, they will have had before them also, the budgets which are proposed for county purposes of their respective counties for the new fiscal year.

These budgets will include the amounts proposed for the general funds of the county, out of which will ultimately be paid the salaries of county officers, the expenses of each office, the expenses of conducting the courts of the county, and incidental county expenses for that year. These budgets will also include amounts proposed for the repair and upkeep of the county roads and bridges,

and for new roads. In these two general items, under the head of general fund and road fund should be found items of just what is proposed to be used for those purposes for the year. If new roads are proposed, or expected to be constructed during the year, the amount to be expended for that purpose will of necessity be included in the aggregate amount proposed for the road fund. If new furniture is proposed to be installed in the county offices; if new additions, new improvements to county buildings, additional help in the county offices, all those items should be included under the aggregate head of general

county fund.

Other Revenues to Increase General and Road Funds

Into the general county fund go the fees collected by the county recorder, by the sheriff, jury fees paid by litigants in civil cases, fines and penalties collected by the courts. Other items of collections also go into that fund. In making up the aggregate which is proposed to be used for all purposes which may be collectively included under the general head of "general county funds," and after making such an estimate as

may be made as to the amount which will accrue to that fund from other sources, i.e. the items of fees, fines, penalties, and other items, the balance hereof is to be raised by general taxes levied upon the property of the county.

Taxes for General and Road Funds Not to Exceed Ten Per Cent Over Last Year's Amounts

The amount to be raised by general taxes is a limited amount. That portion of that general fund to be raised by general taxes must not in any event exceed by more than ten per centum the total amount raised by taxation for that same fund, in the taxes levied and collected to the general fund of the county for the previous year.

County Budget May Not be Raised if it is Necessary to Exceed Ten Per Cent Limit to Do So

No matter how much the budget may call for as to be the aggregate of the total expenditures for the new year and for the general county expenses and expenditures thereof, while that budget may not be adopted at an amount which as an aggregate in itself exceeds by more than ten per centum the amount raised and collected from all sources as the general fund of the previous year, and even within that limit, the budget may not be met, nor may it be provided for, if to make that provision it will be necessary to adopt a tax rate, which when levied upon the total aggregate valuation of the property of the county, as that valuation is finally fixed by the state board of equalization, would produce an amount raised by taxes, which would be an amount exceeding by ten per centum the total tax levy of the previous year for the same fund.

Levies Apply to Amount of Budget and Taxes as Well

There are in fact two limitations placed upon the power of the board in connection with the annual budgets. One is that the amount proposed to be raised and expended shall not be an amount which exceeds by more than ten per centum, the amount raised and collected for the same funds in the fiscal year previous; the other limitation is that the amount of any general fund to be supplied by taxation, shall not be more than ten per centum greater than the tax levy raised for that fund in the previous year.

What has been said respecting limitations upon the amounts proposed to be expended, and the amounts proposed to be levied and collected for the county

general fund, applies equally to the matter of county road funds.

Why Not Keep Expenditures Down to Last Year's Amounts

With respect to "going the limit" in connection with general county funds, and general county road funds, another phase of the matter is presented. The question may properly be asked whether or not new proposed improvements, newly proposed installations of furniture and fixtures, new this and new that, are really necessities. The question involves not merely the idea of being a good thing to have what is proposed. That the new would be better than the old. That the new would put up an appearance of prosperity, or so-called "front appearance." That question of necessity should be considered solely in the light of whether or not the old equipment, old building as it is, will still serve the purpose for another year.

Keep Up the "Front" in France. Swell Those Rather Than at Home

There is at the present time only one "front" that must be maintained and supported. That is the front which the troops in France are maintaining. If there are any additions to be made anywhere, there is the point to make it. The boys over there are making additions to that front every day. The people over here can well sit at an old desk, hold down an old chair at their work, be it private or public; can well afford to be crowded a little, if old quarters will crowd them at their work. Can well afford to work a little more energetically at that desk, on that chair, and in those quarters, if they know that by so doing, the trenches over there will be extended to the east toward Berlin. Can do all this and a great deal more when they realize that by so doing, more and more money will be saved for war purposes, more and more energies of the working public at home, will be conserved and used in making war supplies. Coming back to the matter directly in mind, let us ask the question of why not make the same amount of funds which were raised to meet last year's county expenditures, cover the amounts this year, and save the ten per cent, rather than plan to spend as much as was spent last year, with at least ten per cent more?

Get the Budgets Back to Right Amounts By Eliminating Last Year's Over Excesses

In connection with county budgets of last year, it was a fact that many coun-

ties were permitted to exceed the limit in their tax levies. Special exigencies were presented, and strict enforcement of the ten per cent limitation was not made in those counties. Those special exigencies have been, or at least should have been disposed of and met by the excess levy made last year. This presents an additional reason why in those counties where the levies for last year was in excess of the ten per cent limit, the officials of those counties should not attempt to raise more than was raised last year. Should at least make every effort to get back to such an amount of tax levy as will when considered in connection with two years past, will bring the new budget down to where it properly would be brought of necessity, had not the taxpayers waived their right to enforce the limitations in their favor in years past.

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Arizona to the Front

In another article in which the matter of proposed county budgets, county tax levies and county expenditures for the new fiscal year commencing July first, 1918, was discussed use was made of the word "front." That word in the connection where used stands as the equivalent for, improvement of public structures, for development of advanced ideas of governmental activities, and thus indirectly for advancement and progress. It stands for the foreword for Arizona, that the world at large may be shown what a really great state our state is in fact. That in every test of civil advancement Arizona is able to and will under normal conditions, take the advanced front line, and hold it. Except for the spirit of our people, characterized by that foreword, Arizona would not be where it is today, the ranking leader of all states in many ideas conducive to the general and continued welfare of mankind.

In line with that foreword, every Arizonian likes to see up to date public structures. Every Arizonian stands for the best which can be had in the way of good and effective government. Beyond his likes and beyond his desires in those regards, stands his patriotism to the flag of his country wherever it floats. If he must satisfy but the one desire, which is that his flag float on to victory, as it must and will, he must seriously consider the lessening of his other de-

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mands to the satisfaction of those other matters of local pride, to such an extent that an attempt to have all he would have may result in abortive results to the extent of greater final sacrifice of all than he presently anticipates may be the result.

The slogan has come to us to save and conserve. That slogan comes as a request, as all such slogans come from a government of a free people. Our answer must be in actions, not in words—we must save privately and in public resources, that freedom may surely be made permanent.

Before the next tax levy becomes payable, the people of this state will once more be called upon to go over the top in their subscriptions to the Fourth Liberty Loan. The amounts of the county tax levies will become fixed when the budgets are adopted and rates made in August. Now is the time to trim out the unnecessary items in the latter, that more will be in hand for bond purchases. Be sure Arizona is away off to the front in the matter of reserve funds and other funds which may be her quota and more than her quota, and do so by conserving local expenditures where possible.

Arizona Must Push War Savings Stamps Sales

At the request of Arizona War Savings committee the statement which appears below is published. It speaks for itself, and from its figures it is perfectly plain that Arizona must push for subscriptions to that particular war fund to the front or fail to go over the top. The figures are:

W. S. S. Table of Population by Counties, Amount to be Raised and Amount Collected up to July 15th, 1918

These Figures, Based Upon Report of Postoffices and Federal Reserve Banks, Represent Maturity Values

Stand- ing	County	Population	Amount to Raise	Amount Raised to July 15, '18	Ratio
1	Yavapai	17,598	\$ 351,960.00	\$ 268,438.00	\$15.25
2	Maricopa	44,731	894,620.00	493,648.00	11.04
3	Mohave	4,026	80,520.00	33,394.00	8.29
4	Coconino	10,041	200,820.00	78,166.00	7.78
5	Greenlee	18,894	377,880.0.00	144,978.00	7.68
6	Pinal	9,968	199,360.00	71,143.00	7.14
7	Cochise	53,089	1,061,780.00	356,989.00	6.72
8	Gila	22,933	458,660.00	143,522.00	6.26
9	Yuma	10,351	207,020.00	38,475.00	3.72
10	Pima	28,754	575,080.00	103,754.00	3.61
11	Graham	11,707	234,140.00	33,091.00	2.83
12	Santa Cruz	8,387	167,740.00	18,099.00	2.16
13	Navajo	13,399	267,980.00	24,159.00	1.80
14	Apache	9,853	197,060.00	12,468.00	1.27
		263,731	\$5,274,620.00	\$1,820,999.00	\$ 6.90

This statement is exclusive of report of Federal Reserve Bank of the 11th District from June 15th to June 30th, 1918, and of 11th and 12th Districts from July 1st to July 15th, 1918.

QUESTIONS AND ANSWERS

If a board of supervisors adopts a county budget which is in excess of the limit provided by law, or if that board adopts a tax rate or rates, which when spread upon the rolls against the property at the valuations upon the rolls, will raise an amount in excess of the limit permitted by law, what remedy has a taxpayer?

There are several ways in which a taxpayer may get relief from such an unauthorized action by a board of supervisors, in the matter of excessive budgets, and excessive tax levies. A practice has grown up of calling the matter to the attention of the State Tax Commission, that it may under its supervisory powers in tax matters, direct the board of supervisors to correct the budget and tax levy as proposed to be made in excess of the limit. To be effective this

course must be taken at once, and before the rolls are extended and passed over to the county treasurer for collection of taxes. Another possible remedy would be a suit to enjoin the board from exceeding its powers in the matters referred to. This action to be effective should also be taken while the tax rolls are still in actual control of the board of supervisors. There is a third remedy which is expressly provided by law. Paragraph 4843 of Revised Statutes of Arizona provides: "Any officer or officers violating any of the provisions of Pars. 4840, 4841, and 4842 of this act shall be guilty of a misdemeanor, and upon conviction, shall be fined not less than one hundred dollars nor more than three hundred dollars each." The paragraphs there referred to are the ones which provide for a published budget, and for limits to amounts to be raised, hence covers the possible situation of raising taxes beyond the limits.

Necessity for Tax Economy Recognized

ONCE in a great while there is found a local newspaper which is not carried away by extreme enthusiasm for proposed public improvements, to the extent every other condition surrounding public finances, and the taxpaying public, is not lost to view, and it is extremely refreshing to our hopes that sooner or later the matter of public expense will be looked upon just as a business man would look upon a new improvement in his business property, and consider his finances, his ways and means, other matters which will strain his purse, and act according to his ability to pay for the improvement with all other things affecting his future financial needs in mind.

The extract from the Casa Grande Valley Dispatch which is printed below is an example of just such a fair minded consideration as should be given by the public at large to every proposed increased item for taxation in connection with every proposed new improvement. It says:

"We learn from an authoritative source that it is the intention of the Board of Supervisors of Pinal County, at their meeting on the 20th of July, to provide for a special road tax of 25 cents on each \$100 valuation. The total amount which the taxpayers of Pinal county would be called upon to pay under this levy will approximate \$150,000.

"We understand that the Board has received advice that this levy cannot be made unless it comes within the

limitation prescribed by the laws of the State of Arizona, which provide that no amount can be levied for general county purposes in any county in excess of 10 per cent more than the amount levied and collected for such purposes during the preceding year.

"Aside from the fact that this levy is probably illegal, the taxpayers of this county will not view with any degree of pleasure the prospect of having their taxes increased a tremendous amount to build roads. The amount of money that the State of Arizona will be required to furnish this year for the purchase of Liberty Bonds and to pay in Federal taxes in order to carry on the war will be stupendous. The national government has already requested that no unusual expenditures be made for local purposes, and we sincerely hope the Board of Supervisors will not attempt to levy any tax, except for the actual running expenses of the county for the next year. County and state taxes are high enough as it is, and with the additional burdens for the support of the federal government in the present crisis the people will not be able to stand the financial strain. As compared with prices a year ago, \$1.00 is now worth only 57c, by reason in the enormous increase in the price of things people must have. What we need is economy, and not extravagance, in public expenditures."

out of the apportionments referred to above, appear as follows:

Pupils			
County	Census No.	Am'ts	App.
Apache	1257	\$	14,455.50
Cochise	11690		134,435.00
Coconino	1535		17,642.50
Gila	5771		66,366.50
Graham	3193		36,719.50
Greenlee	4999		51,488.50
Maricopa	14770		169,855.00
Mohave	1194		13,731.00
Navajo	2501		28,761.50
Pima	7655		88,032.50
Pinal	3907		44,930.50
Santa Cruz	3356		38,594.00
Yavapai	4282		49,243.00
Yuma	2621		30,141.50
	68731	\$	784,396.50

When the matter of making up the new school budgets for the various counties is being considered by the county school superintendents and adopted by the boards of supervisors, the actual figures above could be correctly used as the basis upon which to estimate the amount of state aid to be anticipated for the new year.

In making up the budget account should also be taken of the last apportionment of \$3.50 per pupil made to each county. If that amount, or any portion of it remains on hand, that should be deducted from the amount finally adopted as the aggregate school budget, and taxes provided to raise the balance of that budget, with the deductions out.

It is safe to estimate that any increase in the state school census, will be met by the additional amounts received from state school land rentals and interest, and this will keep the gross amounts apportioned to the counties up to the amounts shown above.

By following the suggestions of this article, school funds will not be twice taxed on the 1918 tax rolls, the public will get the full benefit of all amounts paid in for the purposes of common schools in paying state taxes for the purpose, and will not be called upon to duplicate any portion of the amount when county taxes are paid.

State Common School Fund Apportionments

THE legislature in 1917 increased the appropriation for the state common school fund from \$500,000.00 to \$750,000.00 of tax raised money for that fund. In addition to the \$750,000.00 raised by taxes in the year ending June 30, 1918, there was also placed to the credit of that fund the sum of \$76,452.59, as the result of school land rentals, interest on state school land funds, and the like. This made available from the state for support of the common schools, the sum of \$826,452.59. To this last amount was added that portion of a balance of \$34,229.62 to the credit of that fund at the beginning of the year 1917-1918, less outstanding liabilities not presented.

During the year the State Superintendent of Public Instruction made three apportionments, to the various counties

from that fund. The first apportionment was made in January at the rate of \$5.50 per capita on the basis of a total school census of 68,731 for the state. In May another apportionment at the rate of \$2.50 per capita was made. And later a final apportionment for the same fiscal year was made at the rate of \$3.50 per capita. Thus a total distribution of \$11.50 per pupil upon the school census of 68,731 was made out of the funds for that fiscal year.

The last apportionment of \$3.50 per capita was not actually available to the counties until July, and consequently in some counties it remains as funds on hand for the purposes of the new school year which commenced July 1st.

The amounts received by each county

The Request for Conservation is Directed to you, Mr. Official

IT WILL do no good to attempt to conserve anything at all, if that conservation is practiced along rules of action which apply to the other fellow.

The man or woman who laid in a hundred pound sack of sugar in anticipation of a shortage with necessary regulation of sales of sugar, can well say all

right to those regulations. Certainly they do not affect his comfort nor convenience. This as an allustration of what follows.

The installation of new vaults, safes, and equipment in county buildings; the changing of outside appearances of courthouses, public buildings, and the like; the construction of new cement walks, grading down, and changing things generally around the Capitol building; the reconstruction of water works systems, the erection of new buildings for public comfort and the like, may each add to the appearance of things, may contribute to the comfort of officers, or to the convenience of the public. But are they necessary? Should the money be spent, in the face of the fact that Arizona is behind in her quota of thrift stamp purchases, the coming on of a new liberty loan of \$8,000,000,000.00

or more; the coming on of added taxes for war purposes? Are the people of Arizona so prosperous, that each and all can meet all war demands, and not feel any pull on their purse strings, when state, county, city and town taxes are increased for purposes which include simply comfort and convenience?

Every public officer should take upon himself the burden of considering every proposed expenditure, and instead of attempting to make a record for himself with his name upon corner plates of new public buildings erected during his present term of office, make a record of economy in office, so much so that it will be a lasting one in the minds of the people in its effective relief from tax burdens.

One small town in Maricopa county, proposes a tax budget of 270 per cent as compared with the budget of last year. Were every town in the state to do like-

wise, the result would run into hundreds of thousands of dollars of extra money to be raised in taxes for town and city purposes alone.

Unless every official does prune out every item of proposed expense, which can be so acted upon, he simply lets the rule of conservation work its salvation in other quarters. Unless he does this, he is like the man with the hundred pound sack of sugar in his storeroom. He gets his, and saving becomes a good thing for the other town to practice.

The conservation of money, materials, labor, and energies, which the National government requests and expects, is directed for effective results, to every public official connected with public budgets for expenditures proposed, and to every official clothed with power to expend public money. The request for conservation is directed to you, Mr. Official.

Arizona's Assessed Valuation for Year 1918-1919

THE work of the county assessors and boards of equalization having been completed, and the values placed upon the taxable property of the state by them is the amount of \$827,308,597.00. These figures are subject to final action of the State Board of Equalization, but is apprehended that the final figures will remain around that substantial amount.

In connection herewith is given tables which show county-by county the valuation placed upon each separate class of property, of those classes which are commonly mentioned as the recognized ones when comparative figures are made in official reports and comparisons.

Space not permitting the comprehensive extension of figures as to each class, so as to show just the increases made as between the amount of last year's valuations

as compared with the new figures, a table is given, which shows the aggregate increase in each county of valuations over the figures of last year. Also showing just the percentage of values in each county, on the base of one hundred per cent, treated as total for state. Comparisons as between last year's percentages and the new year's are also shown in the last table.

The total valuations for taxable purposes for last year, of the whole state, was \$697,526,619.00. The state tax rate was .535 per hundred of valuation. Among the rates for last year was .01808 for New Capitol Addition; for Asylum Farm .00778; State Prison Farm and Equipment .00721; Northern Arizona Normal School Building .01148; University Dormitory .01439. These

and rates necessary to cover special appropriations for bridges, roads, and improvements to various buildings, amounting to about .025, will not be included in total of rates for present year. Deducting these rates from the .535 total of last year's rates, a .4511 rate on last year's valuations would safely carry the state's finances for a new year. Based upon the new valuation, a state rate for year 1918-1919 around .37 per hundred should be sufficient.

With an individual and united effort on the part of each state official and state department, to reduce expenses to the minimum, there is an opportunity afforded to put the new year down on the state tax roll columns with the smallest state rate since statehood. It is to be hoped that such will be the result.

APACHE COUNTY

Valuation 1918

Irrigated lands	253,105.00	Poultry	2,389.00	Dry Fmg. & Grzg. land	2,692,540.65	Motorcycles	1,750.00
Improvements	41,652.00	Horses	158,900.00	Improvements	870,405.00	Street railways	226,306.00
Dry Fmg. & Grzg. land	311,275.00	Mules	17,020.00	Land grants, irrigated	68,745.00	Railroads	17,539,254.00
Improvements	81,118.00	Cattle	1,090,811.00	Improvements	16,735.00	Telephone lines	425,580.00
Railroad lands	749,707.00	Sheep, Goats	1,123,648.00	Other land grants	170,089.00	Telegraph lines	104,161.60
City and town lots	121,871.00	Swine	1,900.00	Improvements	2,640.00	Gas and Elec. Lt.	519,937.61
Improvements	172,391.00	Other Property	153,920.16	City and town lots	4,362,387.27	Water Works	977,300.00
Sawmills & Machy.	4,300.00			Improvements	7,207,460.00	Poultry	4,596.00
Banks	114,390.00	Less exemptions	143,334.00	Productive mines	110,170,545.00	Bees	8,635.00
Mdse. Stocks of	278,553.84			Non-Prod. mines	1,171,769.15	Horses	351,199.00
Furniture, etc	49,413.00			Improvements	494,819.00	Mules	55,853.00
Automobiles	71,022.00	Doubly included	7,000.00	Pat'd Millsites	2,510.00	Cattle	3,858,206.00
Railroads	3,706,000.00	Net Valuation	8,425,098.90	Improvements	65,000.00	Sheep, Goats	213,574.00
Telephone lines	9,862.50			Smelters & Apprtncs	6,727,186.80	Swine	7,840.00
Telegraph. lines	53,274.40			Concentrators	18,700.00	Other property	370,572.00
Gas and Elec. Lt.	1,500.00			Mng. Machy. & Spls.	2,629,327.75		
Water Works	7,300.00			Smelter Supplies	896,418.15		
				Banks	1,335,109.00		
				Mdse. Stocks of	3,018,269.37		
				Furniture	705,672.95		
				Automobiles	1,034,418.00		

COCHISE COUNTY

Valuation 1918

Irrigated land	151,151.00
Improvements	22,775.00

Less exemptions	168,499,437.29
Net valuation	1,265,000.00

Net valuation	167,234,437.29
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(Continued on Page Seven)

COCONINO COUNTY

Valuation 1918	
Dry Fmg. & Grzg land	1,160,648.00
Improvements	256,435.00
Railroad land	22,206.00
City and town lots	553,324.00
Improvements	1,004,493.00
Non-Product. mines	33,909.00
Improvements	4,600.00
Placer mines	6,400.00
Pat'd Millsites	654.00
Improvements	4,000.00
Mng. Machy & Supls.	13,000.00
Sawmills & Machy.	346,300.00
Standing timber	292,004.00
Banks	308,643.00
Merchandise, stocks of	764,449.00
Furniture, etc	155,240.00
Automobiles	196,970.00
Motorcycles	380.00
Railroads	8,829,155.00
Telephone lines	54,120.00
Telegraph lines	110,362.74
Gas and Elec. Lt.	86,900.00
Water Works	
Poultry	1,385.00
Horses	226,990.00
Mules	29,880.00
Cattle	2,807,178.00
Sheep, Goats	2,097,880.00
Buffalo	
Swine	1,651.00
Other property	579,851.00
	19,949,007.74
Doubly included	113,768.00
Less exemptions	91,237.00
Net Valuation	19,744,002.74

Improvements	339,270.00
Dry Fmg. & Grzg land	671,554.00
Improvements	85,660.00
Other land	23,907.00
Improvements	1,445.00
City and town lots	227,909.00
Improvements	449,758.00
Non-Productive mines	376,750.00
Improvements	13,400.00
Concentrators	6,000.00
Mng. Machy & Spls	26,025.00
Sawmills and Machy	12,300.00
Banks	139,167.00
Mdse. Stocks of	352,309.00
Furniture, etc.	78,672.00
Automobiles	181,755.00
Railroads	4,232,000.00
Motorcycles	
Telephone lines	23,111.25
Telegraph lines	13,695.20
Gas and Elec. Lt.	8,600.00
Water Works	25,700.00
Poultry	5,114.00
Bees	9,355.00
Horses	239,950.00
Mules	13,445.00
Cattle	2,473,370.00
Sheep	3,875.00
Goats	140,795.00
Swine	5,951.00
Other property	266,075.00
	12,894,614.45
Doubly included	49,104.00
Less exemptions	155,369.00
Net Valuation	12,690,141.45

City and town lots	18,071,332.00
Improvements	9,800,610.00
Non-Productive Mines	97,035.00
Improvements	61,025.00
Pat'd Millsites	5,675.00
Concentrators	11,000.00
Mng. Machy and Sup.	13,550.00
Sawmills and Machy	5,000.00
Banks	2,134,377.00
Mdse. Stocks of	4,399,822.00
Furniture, Household,	
Office, Store Fix.	1,482,382.00
Automobiles	3,149,301.00
Motorcycles	23,930.00
Street Railway	273,250.00
Railroads	11,552,980.00
Telephone lines	1,052,385.00
Telegraph lines	80,355.00
Gas, Elec & Pwr Plnts	954,315.00
Water Works	11,100.00
Poultry	46,059.00
Ostriches	7,335.00
Bees	83,215.00
Horses	733,121.00
Mules	222,542.00
Cattle	4,027,552.00
Sheep	309,389.00
Goats	760.00
Swine	69,336.00
Sampling & Reduc. Wks	42,675.00
Other Property	1,390,688.00
	97,463,140.00
Doubly included	589,084.00
Less exemptions	750,810.00
Net valuation	96,123,246.00

NAVAJO COUNTY

Valuation 1918	
Irrigated Land	127,697.00
Improvements	22,735.00
Dry Fmg. and Grzg	369,411.00
Improvements	46,920.00
Ry. Grant Lands	884,467.00
Ry. Script Land	37,034.00
City and town lots	445,361.00
Improvements	907,301.00
Unplatted town land	6,360.00
Non-Productive Mines	28,720.00
Saw Mills and Machy	2,350.00
Banks	257,656.00
Mdse. Stocks of	776,272.00
Furniture, etc	139,633.00
Automobiles	164,370.00
Railroads	3,794,920.00
Telephone lines	23,812.50
Telegraph lines	55,029.41
Gas and Elec. Lt.	66,314.00
Water Works	151,820.00
Poultry	1,101.00
Bees	320.00
Horses	123,095.00
Mules	8,815.00
Cattle	1,273,051.00
Sheep	875,872.00
Goats	1,824.00
Swine	1,298.00
Other property	241,766.09
	10,835,325.00
Doubly included	50,018.00
Less Exemptions	122,978.00
Net Valuations	10,662,329.00

GREENLEE COUNTY

Valuation 1918	
Irrigated land	323,395.00
Dry Fmg & Grzg land	247,370.00
Improvements	178,790.00
Land	64,000.00
Townsite	250,000.00
City and town lots	284,915.00
Improvements	860,375.00
Productive mines	27,187,849.00
Improvements	2,030,010.00
Non-productive mines	579,675.00
Pat'd Millsites	4,000.00
Smelters & Appurtncs	2,332,580.00
Concentrators	1,904,025.00
Smelter Supplies	547,868.00
Mng. Mach & Supls	706,860.00
Banks	309,250.00
Mdse Stocks of	1,004,000.00
Furniture, etc.	227,027.00
Automobiles	194,150.00
Motorcycles	3,075.00
Railroads S. G.	2,050,500.00
Railroads N. G.	453,440.00
Telephone lines	41,401.50
Telegraph lines	4,865.60
Gas & Elec Lt.	69,200.00
Water Works	757,827.38
Poultry	845.00
Bees	580.00
Horses	126,942.00
Mules	23,360.00
Cattle	1,254,391.00
Goats	32,065.00
Swine	1,955.00
Surface of Mng. Clms	312,000.00
Improvements	1,025,245.00
Imprv't on Townsite	
Other property	128,908.64
	45,948,661.12
Less exemptions	449,950.00
Net valuation	45,498,711.12

MOHAVE COUNTY

Valuation 1918	
Irrigated land	13,705.00
Improvements	4,200.00
Dry Fmg. & Grzg. land	222,967.00
Improvements	84,425.00
Railroad land grants	399,043.00
Land grants irrigated	500,325.00
Improvements	33,135.00
Railroad script land	37,034.00
Waste land	23,907.00
Improvements	1,445.00
All possessory rights	27,105.00
Improvements	467,375.00
City and town lots	402,604.00
Improvements	641,199.00
Unplatted town lots	6,360.00
Townsite acres	250,000.00
Improvements	423,915.00
Industrial lands	64,000.00
Surface m'ning claims	312,000.00
Improvements	1,025,245.00
Productive mines	7,246,633.00
Non-productive mines	915,671.00
Improvements	512,180.00
Patented millsites	7,400.00
Smelters and appurten-	
ances	1,177,485.00
Banks	130,060.00
Merchandise	730,869.00
Furniture, etc.	133,544.00
Automobiles	206,725.00
Railroads, S. G.	7,497,080.00
Telephone lines	79,301.52
Telegraph lines	106,187.20
Gas and electric light	515,875.00
Water works	20,600.00
Poultry	927.00
Bees	1,940.00
Horses	96,040.00
Mules	9,175.00
Cattle	1,859,009.00
Sheep	390,232.00
Goats	16,050.00
Swine	2,582.00
Other property	58,387.65
	23,523,099.00
Doubly included	53,117.00
Less exemptions	17,390.00
Net Valuations	23,452,492.00

GILA COUNTY

Valuation 1918	
Irrigated land	95,125.00
Improvements	38,796.00
Other land	111,906.00
Improvements	46,914.00
City and town lots	2,217,748.00
Improvements	3,402,492.00
Productive mines	123,009,378.00
Non-product. mines	369,400.00
Improvements	900.00
Pat'd Millsites	3,986.00
Smelters & Apprtncs.	4,540,840.00
Concentrators	10,296,975.00
Mng. Machy. & Supls.	3,451,064.00
Smelter Supplies	2,866,642.00
Magma Cop. Elec. line	21,698.00
Banks	908,630.00
Mdse. Stocks of	1,249,688.00
Furniture, etc.	519,509.00
Automobiles	543,429.00
Motorcycles	800.00
Railroads	2,609,218.00
Telephone lines	69,930.25
Telegraph lines	8,952.00
Gas and Elec. Lt.	186,476.00
Water Works	38,600.00
Poultry	1,440.00
Bees, stands of	165.00
Horses	140,148.00
Mules	11,045.00
Cattle	2,865,364.00
Sheep	55.00
Goats	15,290.00
Swine	2,903.00
Other property	85,217.00
Industrial Railroad	112,800.00
	159,843,523.25
Doubly included	272,496.00
Less exemptions	162,237.00
Net Valuation	159,408,790.25

MARICOPA COUNTY

Valuation 1918	
Irrigated Land	33,203,684.00
Improvements	1,755,185.00
Grazing Land	2,333,010.00
Improvements	59,165.00

Doubly included	53,117.00
Less exemptions	17,390.00
Net Valuations	23,452,492.00

GRAHAM COUNTY

Valuation 1918	
Irrigated land	2,448,496.00

Doubly Included	62,053,065.00
Less Exemptions	191,885.00
Net Valuation	777,715.00

(Continued on Page Eight)

PINAL COUNTY

Valuation 1918

Irrigated land	695,670.00
Improvements	74,900.00
Dry Fmg. & Grzg. land	1,980,690.00
Improvements	119,530.00
City and town lots	437,285.00
Improvements	521,010.00
Productive mines	41,446,250.00
Improvements	—
Non-productive mines	349,490.00
Improvements	28,875.00
Patented millsites	5,210.00
Improvements	1,000.00
Smelters and appurtenances	351,617.00
Concentrators	213,910.00
Mining machinery and supplies	1,458,715.00
Smelter supplies	56,113.00
Banks	143,700.00
Merchandise, stocks of	623,640.00
Furniture, etc.	67,660.00
Automobiles	283,100.00
Motorcycles	1,050.00
Railroads, S. G.	7,913,211.00
Railroads, N. G.	367,500.00
Telephone lines	92,614.00
Telegraph lines	68,905.00
Poultry	1,425.00
Bees	6,015.00
Horses	130,475.00
Mules	26,235.00
Cattle	1,588,675.00
Sheep	61,800.00
Goats	39,890.00
Swine	11,250.00
Jennies	700.00
Other property	861,110.00

62,590,370.00

Doubly included

Less exemptions

32,570.00

12,685.00

Net Valuations 62,577,685.00

SANTA CRUZ COUNTY

Valuation 1918

Irrigated land	166,557.00
Improvements	47,595.00
Dry Fmg. & Grzg. land	364,545.00
Improvements	120,038.00
Land grants, irrigated	431,580.00
Improvements	16,400.00
Land grants, dry farming and grazing	578,322.00
Improvements	15,300.00
City and town lots	1,436,575.00
Improvements	1,771,930.00
Productive mines	283,825.00
Improvements	51,449.00
Non-productive mines	670,652.00
Improvements	49,570.00
Patented millsites	6,450.00
Concentrators	139,117.00
Mining machinery and supplies	101,064.00
Improvements, millsites	11,000.00
Banks	469,406.00
Merchandise, stocks of	937,311.00
Furniture, etc.	131,143.00
Automobiles	240,047.00
Motorcycles	335.00
Railroads	1,060,854.00
Telephone lines	34,320.00
Telegraph lines	12,647.20
Gas and Electric light	283,131.00
Poultry	2,734.00
Bees	159.00
Horses	92,305.00
Mules	10,143.00
Cattle	1,048,705.00
Sheep	5.00
Goats	90.00
Swine	1,658.00
R. R. Rt. of way on Baca Float	382,000.00
Other property	162,679.80

10,786,744.00

Doubly included

Less exemptions

33,258.00

44,952.00

Net Valuations 10,308,534.00

YAVAPAI COUNTY

Valuation 1918

Irrigated land	696,202.50
Improvements	173,675.00
Dry Fmg. & Grzg. land	852,829.26
Improvements	570,188.07
R. R. land grants	577,952.73
Improvements	450.00
Other land grants	223,751.70
Improvements	1,570,674.50
City and town lots	3,282,435.78
Productive mines	88,413,730.00
Improvements	170,715.00
Non-productive mines	1,886,803.25
Improvements	381,028.00
Patented millsites	10,281.00
Improvements	25,135.00
Smelters and appurtenances	5,845,193.00
Mining machinery and supplies	2,007,584.00
Concentrators	—
Smelter supplies	833,351.00
Banks	1,015,561.00
Merchandise, stocks of	1,924,987.53
Furniture, etc.	621,212.00
Automobiles	767,230.00
Motorcycles	3,325.00
Railroads, S. G.	11,332,511.00
Railroads, N. G.	393,900.00
Telephone lines	125,725.00

Telegraph lines	108,087.36
Gas & Electric light	2,168,023.16
Water Works	91,391.17
Poultry	4,705.00
Bees	4,205.00
Horses	220,460.00
Mules	66,960.00
Cattle	3,131,004.00
Sheep	951,640.00
Goats	188,320.00
Swine	5,605.00
Retired smelter, Jerome	5,980.00
Reduction works	83,000.00
All other property	780,044.03
Doubly included	132,520,795.08
Less Exemptions	178,280.00
	222,989.00

Net Valuations 132,119,526.08

YUMA COUNTY

Valuation 1918

Irrigated land	3,570,350.00
Improvements	84,985.00
Dry Fmg. & Grzg. land	895,659.00
Improvements	15,715.00
City and town lots	1,490,889.00
Improvements	709,923.00

Productive mines	602,597.00
Improvements	8,500.00
Non-productive mines	245,115.00
Improvements	5,800.00
Patented Millsites	2,000.00
Mining machinery and supplies	158,810.00
Banks	281,733.13
Smelters	—
Concentrators	—
Merchandise, stocks of	566,320.00
Furniture, etc.	127,890.00
Automobiles	296,455.00
Motorcycles	275.00
Railroads, S. G.	7,535,890.00
R. R. Ariz. & Swansea R. R. Co.	—
Telephone lines	93,020.00
Telegraph lines	59,072.80
Gas & electric light	—
Water Works	135,430.00
Poultry	6,947.00
Bees	21,514.00
Ostriches	—
Horses	193,644.00
Mules	103,620.00
Cattle	364,623.00
Sheep	61,258.00
Goats	36.00
Swine	11,795.00
Other property	371,613.87
	18,021,479.80
Less exemptions	61,165.00
Net Valuations	17,960,314.80

Total Valuations for Purposes of Taxation by Counties for 1917 and '18

(1918 Valuation subject to such changes as may be made by the State Board of Equalization)

County	Valuation	1917	% of Total	1918	% of Total
APACHE	\$ 7,722,499.73	1.1		\$ 8,425,098.90	1.0
COCHISE	151,789,316.47	21.8		167,234,437.29	20.2
COCONINO	19,228,582.67	2.8		19,744,002.74	2.4
GILA	147,882,276.35	21.2		159,408,790.25	19.3
GRAHAM	12,427,096.25	1.8		12,690,141.45	1.5
GREENLEE	41,267,954.98	5.9		45,498,711.12	5.5
MARICOPA	80,707,733.34	11.6		96,123,246.00	11.6
MOHAVE	18,432,332.20	2.6		23,452,592.00	2.8
NAVAJO	10,207,174.73	1.5		10,662,329.00	1.3
PIMA	36,553,392.44	5.2		61,083,465.00	7.4
PINAL	46,599,174.00	6.7		62,577,685.00	7.6
SANTA CRUZ	9,282,406.69	1.3		10,308,534.00	1.2
YAVAPAI	98,716,072.38	14.1		132,119,526.08	16.0
YUMA	16,710,710.45	2.4		17,980,038.87	2.2
TOTALS	\$697,526,619.68	100.0		\$827,308,597.70	100.0

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Phoenix, Ariz.
Permit No. 18

ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME FIVE

PHOENIX, ARIZONA, AUGUST, 1918

NUMBER EIGHT

LIBERTY

of which our forefathers of 1776 spoke when declaring one of the purposes of our union of states to be to secure the blessings of Liberty to ourselves and our posterity, assumes today an example of American Ideas of Liberty which now and hereafter will enlighten the world. Carrying the banner of Liberty for mankind from the yoke of tyrannical sovereigns "our boys" are on German soil. There they are still ready to "carry on" and continue to do so until that banner floats over Berlin or the funeral pyres of Prussian Monarchism. Contributions to the suffering, starving and destitute of Europe from our means and abundance has been but an incidental example of the power of an American, liberty loving, and free people. The dove of peace hovers securely over our homes, property and lives, at present separated as we are from the ravages, desolation, carnage, and distress of the war stricken areas of Europe. Separated by no other than the banner of liberty and those who there hold it an unpassable barrier of protection to our security here.

Our duty is plain, present and future security for self preservation, if nothing more requires, every instinct of patriotism demands, that the people at home "Carry On"—AND ON—AND ON—AND ON AGAIN—to the fullest requirement of money support required to continue to float the banner of Liberty.

BUY LIBERTY BONDS

We cannot be true to ourselves, our families, or to our army and allies abroad if we fail to take, pay for and keep Liberty Bonds, not once, twice, or thrice, but to "Carry On, AND ON, AND ON AGAIN," with any amount of personal denial and sacrifice, until the result is final victory for

LIBERTY

EDITORIAL COMMENT

An Analysis of the General State Fund Tax Levy for 1918-1919

WHEN the Legislature of 1917 enacted the general appropriation bill to cover the years 1917-1918, and 1918-1919, it left as open those expenses of departments which under the laws creating and providing for their maintenance were provided with "so much out of the general fund, as necessary to carry out the provisions" of those creative acts.

Under the old laws of the territory, continued into the Revised Statutes of 1913, the maintenance of the Capitol Building and grounds was left at an un-specific amount. To cover that un-specific provision the amount levied this year for that purpose is \$125,000.00, less \$30,108.04 which remained from last year's levy. The expenditures for the maintenance of Capitol Building and grounds for year ending June 30, 1918, was \$45,081.98, which included new building for the land department. The fund made available for the present year will be the full \$125,000.00, an increase of \$79,918.02 over actual costs for preceding year.

An item of \$50,000.00 appears for support of the National Guard of Arizona. Our understanding of the matter is that Arizona has no National Guard at the present time, that guard having been enlisted in the service of the Na-

tional army. There remains an unexpended balance of \$37,554.23 out of \$50,000.00 raised last year for that purpose, still available for any unexpected emergency connected with an organization of a new guard, and the levy of an additional \$12,445.77 for that purpose seems to have been unnecessary. The more so, inasmuch as the entire available military forces of the state—all men between ages of 18 and 45, have been registered subject to call for service in the National Army.

An item of \$60,000.00 is levied for vocational pursuits in high schools and normals, as against an actual expenditure for those purposes last year of \$56,715.25.

The actual cost of printing and publishing reports of state departments and officers for last year was \$2,224.67, as per warrants issued by the State Auditor. The new tax levy includes an item of \$8,500.00 for that purpose, and increase of \$6,275.33.

The Commission of State Institutions drew a total of \$38,102.07 for past year for general expense and clerical assistance over and above the salaries of the members and secretary. The new tax levy to the general fund calls for \$71,567.00 to cover those expenses, an increase of \$33,454.93.

The budget upon which the tax levy

for the general fund was based, including the increases above mentioned, totals \$1,033,170.67. After deducting other sources of revenues to that fund—amounting to \$463,388.69—there remained a total of \$560,781.37, as a seemingly proper amount to be raised in taxes. The tax rate for general fund purposes will raise \$670,081.37. After having increased the actual expenditures of last year in the departments subject to indefinite appropriation laws, by a total of \$160,287.26, to meet the requests of those departments as to contemplated expenditures for the new year, it seems that an extra \$100,000.00 was put into the budget for general fund for no purpose except so-called "good measure". At any rate so far as the taxpaying public is concerned in the matter of general fund tax levies, that public is called upon to pay over \$260,000.00 more taxes into that fund than the actual needs of the fund to cover last year's expenses of current government.

This extra \$260,000.00 looks quite a little like preparing for a more extravagant administration in state affairs than ever before, in face of the known necessity for retrenchment, economy and conservation in the interests of war needs and requirements.

Five Counties Interested in Idle Funds:

Coconino, Maricopa, Pima,
Santa Cruz and Yavapai.

THE enabling act under which Arizona was admitted to statehood contained several land grants from the public domain, in trust for specified purposes, among which was one million acres for the payment of the bonds and accrued interest thereon of the validated and refunding bonds of the counties of Maricopa, Pima, (in part Santa Cruz under county division laws), Yavapai and Coconino. Since statehood, these various counties have raised by taxation amounts necessary to pay the interest upon those bonds, which amounts to four and one-half per cent annually, and have raised as a sinking fund to repay

the principal, at the rate of four per cent per annum, a total which now aggregates the sum of \$261,951.67 in the State Treasury for the latter purpose.

The question of vital importance to the counties named is that of why any amount at all is raised to pay the principal of these bonds, involving the why of such a disposition of the one million acres of lands granted for the purpose, that before the maturity of the bonds—which is twenty-five years from June, 1913, sufficient money will not be realized to pay that principal. The further question of why the proceeds of sales and rentals of these lands is not applied

to the payment of current interest on the bonds, and thus eliminate that amount from the tax rolls of the several counties.

As to the question of current interest on those county refunding bonds, the Legislature of 1915 in the land code of that year covered it quite fully. It created a fund to be known as the "County Bonds Land Fund". This fund was to consist of the proceeds of the lands granted by the United States for payment of the bonds above referred to. Speaking of that fund the Legislature says:

"The money in said fund shall be de-

voted first, to the payment of the current interest on said bonds; second, to the re-imbursement of the several counties for all interest accrued and paid thereon since date of issuance; third, to retire the bonds when due.

Speaking further upon the subject of payment of interest upon these bonds, the same law says:

"If it shall appear, when the interest on said bonds or any part thereof becomes due, that there is sufficient money in said fund, the State Auditor is authorized and directed to draw his warrant thereon for the amount of said interest, or if there be not sufficient money in the said fund to pay the interest due, he shall draw his warrant or warrants for such sum as there is, and the State Treasurer is hereby authorized and directed to pay the same; and that the boards of supervisors of the several counties obligated to pay such bonds, shall annually levy sufficient taxes to pay such interest when due, until such time as the receipts of the said county bond fund becomes sufficient for said purpose."

Up to date the receipts to that fund

have been derived from sales of lands, and rentals. Up to July first last past, those rentals aggregated the sum of \$107,538.16, and up to August 31st, increased to a net balance of \$122,321.60. This amount alone would be sufficient to pay the interest upon the bonds for three years, even though the receipts during those three years fell off to nothing at all. In the fact of this situation the five counties are still levying for interest payments upon these bonds. Three of them are still levying taxes to pay into the sinking fund for payment of the principal of the bonds. Thus over fifty thousand dollars of taxes will be paid into the county treasuries this year for the purposes of those bonds, and become duplicate funds in respect to interest amounts therein, and untirely unnecessary funds so far as that portion raised for sinking funds.

All together the sum of \$384,273.29, lays in the State Treasury to the credit of those bonds, and more money will be added thereto, all of which will be idle funds in the treasury. The "idle" feature connected with those amounts will

not be eliminated by simply paying back to the counties the amount contributed thereto by each. There is no provision of law under which the counties can make those funds active for county purposes. If so returned to the counties the funds would still retain their idle features so far as the taxpaying public is concerned.

In the process of levying taxes for the present year have progressed to such an extent that the rates levied in the several counties for interest and sinking fund to those bonds can not be stricken from the rolls, and the new tax money thus left in the pockets of the taxpayers for this year, the situation is one which should be so handled that the funds referred to be properly applied next year and in successive years thereafter, and the taxpayers of those counties then get the benefit of the proceeds of that million acres land fund and be thus relieved from paying again that which Congress in the enabling act, has made ample provision, and which provision seems to be working out to accomplish its purpose in that regard from sales and rentals of the lands.

PRESENTING: *Dear Old General Fund and "So Much as May be Necessary to Carry Out the Provisions of This Act"---A New Role---by the Commission of State Institutions*

IT HAS been some time since this Magazine has had occasion to notice the matter of the general funds of the State, and about a similar length of time since it has had an opportunity to comment upon the vicious provisions of our statutes relating to departmental powers, wherein are contained language that "so much as necessary to carry out the provisions of this act, is appropriated out of the general fund". Just as many times as the quoted language appears in any act, just that many times it has been necessary in the past to call attention to abuses of discretion by public officials in applying that language in making expenditures. The act creating the Commission of State Institutions is a new act. The amount of expenses incident to carrying out its purposes may have been so uncertain as to warrant the insertion in the act of a provision similar to that quoted. The proper purpose of that provision is perfectly clear. That purpose is simply an incident to the general supervisory powers of the Commission connected with the finances of the various institutions, that the appropriations made by the Legislature for the support and maintenance of those institutions be expended according to the in-

tent of each appropriation. There is no room in the act creating the Commission of State Institutions, which may be construed to grant to that Commission powers to appropriate new money for additions, repairs, improvements or new constructions in any quarter of the state, over and above those already provided for in the general appropriation bill of 1917, or in special laws of that Legislature. Yet the Commission of State Institutions has assumed to say that it has power to request additional amounts for those things, over and above the amounts appropriated. Have requested, and it has been levied, the sum of \$125,000.00, as a part of the general fund levy for fiscal year 1918-1919, for no other purpose than new, added, and increased amounts to be raised by taxation and used to carry out the ideas of that Commission of State Institutions are as to what the State really needs in the way of new buildings, new improvements upon its Capitol grounds, and increased improvements in other quarters.

Anyone who is familiar with our State Capitol grounds, is aware of the fact that it is well cared for. In its present condition, continued as it has been in the past, it will without extraordinary

expenditures continue to be a beautiful place. Will continue to maintain its attractiveness, if kept up without new features. Certainly it was not necessary to raise \$125,000.00 to maintain the grounds and buildings in their present state.

The \$125,000.00 above referred to, must not be confused with the specific appropriation made in 1917, for an addition to the Capitol Building. The amount of which comment is made, is a distinct amount, additional to the other.

Conservation of public money, at all times is an essential feature in the administration of public affairs with proper regard for economy, is at the present time of war needs a more controlling factor than ever before. The United States has requested such conservation, and has given out rules which may not be interpreted, except to mean, that new construction be curtailed; that improvements be limited to necessary preservation of present structures and establishments. That the question of transportation of materials, the question of labor diverted from war demands for labor, the question that taxpayers be relieved from all local and state burdens

(Continued on Page Four)

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS' ASSOCIATION OF ARIZONA

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PRESENTING: Dear Old General Fund and "So Much as Necessary to Carry Out the Provisions of This Act"—A New Role—by the Commission of State Institutions.

(Continued from Page Three)

that they may respond more readily and with less strain to war loan subscriptions. These questions become the reasons for the requests for conservation in those lines which come to us from Washington.

Is it possible that requests for conservation coming from the United States Government seems to mean nothing at all to certain of the state officials of Arizona, those officials who can attempt to protect their expenditures under language in state laws, "so much as necessary to carry out the purposes of this act", and so go beyond the limits of legislative appropriation, and beyond the limits of the requirements for funds in ordinary years to maintain grounds and buildings, as to which maintenance those words may apply?

The state budget upon which the tax levy of 1918 was based, and from which the amount of money to be raised for the general fund of the state contains

other amounts than the \$125,000.00 above referred to. It provides \$9,000.00 for salaries of the Commissioners of State Institutions; it provides \$2,400.00 for salary of the secretary; it provides for \$71,527.00 for general expenses of the Commission of State Institutions. In addition to that provision for expenses, that same budget for that same general fund, contains the item: "CAPITOL BUILDING AND GROUNDS, \$125,000.00", contains as well in that connection a citation of supposed authority for the last amount, which is: Chap. 89, Sec. 22, Laws 1917.

As to the advisability of commencing the work upon the new addition to the Capitol Building, which involves the expenditure of the \$125,000.00 specially appropriated for that purpose, that is a matter as to which the question of discretion of the Commission of State Institutions may not be a factor. It may be that it is the duty of the Commission to erect that addition. Just how far the Federal request for conservation should have controlled even that erection, is a matter to be considered, or to have been considered, before that erection was started. However, that question has been answered and determined. The

construction is under way.

The question of raising and spending still another \$125,000.00 in connection with the Capitol Building and Grounds is one which the taxpayers of this state should take a part in answering. It needs no demonstrative argument to establish the fact, that the upkeep of the Capitol Building and Grounds will not require any such amount. It may be significant to note the fact that the 1915 Legislature, speaking upon the subjects of maintenance, repair and upkeep of the Capitol Grounds and Buildings, did fix the aggregate sum of \$15,000.00 for those purposes. Undoubtedly that Legislature had a good basis for the amount which it fixed. It is not to be assumed that it intended the Capitol Building and Grounds to deteriorate nor go to waste for lack of proper repair and maintenance funds. The war has increased costs. But the comparison between the legislative amount of \$15,000.00 in 1915, and the amount requested and levied at the request of the Commission of State Institutions in 1918—that \$125,000.00—cannot be defended by any increased cost due to war prices for labor and materials, nor is it to be defended as against the charge that it

County	Rate per \$100.00 for General Fund	Rate per \$100.00 for Road Fund	Rate per \$100.00 for Common Schools	Rate per \$100.00 for State Refund Bonds	Rate per \$100.00
Apache	.5278	.1032	.3023	.0441	.01
Cochise					
Coconino	.6209	.1675	.2221		
Gila	.0976	.1020	.0720	.0013	.04
Graham	.3188	.1885	.4870	.0529	.01
Greenlee	.2220	.1020	.1840		.05
Maricopa	.2380	.0970	.202		
Mohave	.4723	.1407	.1262		.08
Navajo	.52042	.17623	.35450	.01830	
Pima	.02443	.06054	.18134	.03410	
Pinal	.1249	.0968	.1029	.01370	
Santa Cruz	.5495	.1402	.1426	.0153	.07
Yavapai	.1301	.0648	.0689	.0785	.08
Yuma	.5289	.233	.15892	.0427	.018
Total all Counties					

absolutely ignores the rule for present day tax levies for public expenditures of that kind. That rule of conservation, which rule is so familiar to the patriotic people of this state, that it only need be mentioned by name, that it may be fully understood and its meaning applied by that people to each and every public expenditure made or contemplated.

This article might well have been headed: Conservation versus Commission of State Institutions, and thus present a case for trial by a jury of the people of this state, with the items referred to as the cause of action to be determined by the latter. No matter how headed, that same cause is before the people. Will it be heard and determined in favor of conservation?

This Magazine has defended the idea of a Commission of State Institutions. That defense has gone to the extent of defending the real supervisory powers which the Legislature intended to give to that Commission. When powers are assumed or abused, the fact of that assumption or abuse of powers, cannot be defended in connection with this or any other state department connected with expenditures of public funds.

Tax Amounts of the Counties Fixed for New Year As Compared With Last Year

THERE are certain county funds which are raised by taxation, which are common and similar funds in each county, speaking now of the county general fund, the road fund, common school fund, and interest upon county indebtedness with amounts to be raised for payment thereof. These funds do not include all the taxes which are raised upon the county tax rolls each year. Special levies for school districts, for their bonded debts, and other purposes; special road district taxes, and in some cases irrigation district and drainage district bonds require tax levies. These levies appear upon the rolls of the county but are levied against the property included in the respective districts, and while the amounts become taxes to be paid, those amounts are so varied in each county that no common basis exists for the comparison county by county.

Appended to this article is a table which shows figures of rates for those purposes common to each county and

the entire taxable property of each, placed under heads which in turn show the purpose for which each rate was fixed upon the rolls just prepared for taxes of 1918. The final assessed valuation of the property of each county upon which those rates are computed to raise each fund of taxes, together with the total to be raised for all funds listed also appear. Last year's totals which include therein the amounts raised last year for the funds specially dealt with also appears in its properly headed column.

The totals of last year is \$3,622,437.33, the totals to be levied and collected this year will be \$4,882,102.13. To these amounts must be added special taxes, as well and town and city taxes, before the full amount of taxes paid for other than state taxes, is a known amount.

For the funds referred to, the various counties are raising \$1,259,664.80 more this year than they did last for the same purposes.

Redemption Court H. Bonds	Rate per \$100.00 for Interest Road Bonds	Rate per \$100.00 for Redemption Road Bonds	Union High School Bonds Interest Bonds	Union High School Bond Redemp.	Miscellaneous Bonds Int. and Redemption Rates	TOTAL COUNTY Rate Per \$100.00	Final Assessed Valuations for 1918-1919	Amounts of Taxes County Purposes for 1918-1919	Amounts of Taxes County Purposes for 1917-1918
	.0069	.0116							
016	.0697	.0313				1.17	8,601,366.40	100,635.98	81,083.62
						.35	169,348,466.17	592,719.63	537,876.51
					.0371				
					.0314	1.079	20,259,245.53	218,597.25	182,671.50
020						.3000	163,647,782.48	490,943.34	493,210.79
019						1.13	13,165,299.52	148,767.88	119,915.48
					.0270				
050	.0140	.0340			.0170	.6100	44,441,780.34	271,094.86	185,011.06
					.0130	.940	97,367,007.13	915,249.86	439,857.14
	.0203	.0136							
091	.0226	.0091	.0136	.0136	.0091	.8693	22,074,655.38	191,895.07	295,501.40
					.02892				
	.07343	.05507			.02313	1.25	10,925,900.68	136,573.75	111,451.39
	.04172				.00417	.580	61,645,110.64	357,541.64	298,110.15
	.0237	.0177	.0097	.0043		.3800	63,224,173.72	240,252.16	216,746.40
089	.0710	.0354			.0216	1.090	10,619,611.78	115,753.96	111,388.84
088						.683	130,575,381.62	891,829.85	347,480.57
	.01387	.04991				1.16	18,124,750.83	210,247.10	202,032.48
							834,020,532.22	4,882,102.13	3,622,437.33

1918 State Tax Rates in Detail as to Funds and Purposes of Levy

Fund and Authority—	Per \$100.00	1917			University of Arizona, Printing:
1. General, R. S. 1913 Penal Civil Codes:		18. State Prison Improvement: Chap. 90, Sec. 12, Laws 1917	.01201		Chap. 90, Sec. 26, Laws 1917
Laws of 1915, laws of 1917 and Laws of first Special Session 1918....	\$0.08018	19. State Fair Maintenance and Improvement: Chap. 90, 15, 15-A, Laws 1917, Par. 4538, R. S. 1913	.00144		.00072
2. Asylum for the Insane, Maintenance:		20. State Industrial School, Maintenance: Chap. 90, Sec. 21, Laws 1917	.00711	34. University of Arizona, Farm Maintenance: Chap. 90, Sec. 28, Laws 1917	.00142
Chap. 90, Sec. 2, Laws 1917	.01081	21. State Industrial School, Improvements: Chap. 90, Sec. 22, Laws 1917	.00420	35. University of Arizona, Farm (Improvement): Chap. 90, Sec. 29, Laws 1917	.00028
3. Asylum for the Insane, Building:		22. State Common School: Par. 2696, Sub. 11 of 2697, 2703, Sub. 11 of 2705, 2705, 2706, 2707, 2825, and 2862, Title 11, Chap. 4, Sec. 3, R. S. 1913; Chap. 16, Chap. 90, Sec. 47, Laws 1917	.00120	36. Co-Operative Agricultural Extension: Chap. 90, Sec. 27, Laws 1917	.00072
Chap. 90, Sec. 3, Laws 1917	.00090	23. State Road Tax, (General and Counties): Chap. 69, Laws 1917	.09034	37. Extension Fund of the University of Arizona: Chap. 90, Sec. 44, Laws 1917	.00072
4. Asylum for the Insane, Improvements:		24. State Road Tax, (Prison): Chap. 35, Laws 1915	.10000	38. Underflow Water Investigation: Chap. 90, Sec. 40, Laws 1917	.00029
Chap. 90, Sec. 4, Laws 1917	.00120	25. Salt River Valley Experimental Farm: Chap. 90, Sec. 36, Laws 1917	.00720	39. Asylum for the Insane, interest	.00012
5. Bureau of Mines:		26. Sulphur Springs Valley Dry Farm: Chap. 90, Sec. 37, Laws 1917	.00120	40. Capitol Building, interest	.00060
Chap. 90, Sec. 30, Laws 1917	.00300	27. Surface Water Investigation: Chap. 90, Sec. 39, Laws 1917	.00044	41. Interest State Funded indebtedness	.00395
6. Date Palm Orchard:		28. Tempe Normal School, Maintenance: Chap. 90, Sec. 17, Laws 1917	.00036	42. University of Arizona, Interest: Par. 3663 R. S. 1901	.00015
Chap. 90, Sec. 33, Laws 1917	.00032	29. Tempe Normal School, Improvement: Chap. 90, Sec. 19, Laws 1917	.01321	43. University of Arizona, Interest: Act 47, Laws 1903	.00007
7. Date Palm Orchard and Horticultural Station:		30. Tempe Normal School, Ground Improvement: Chap. 90, Sec. 20, Laws 1917	.00044	44. Redemption State Funded Debt	.00312
Chap. 90, Sec. 42, Laws 1917	.00038	31. University of Arizona, Maintenance: Chap. 90, Sec. 23, Laws 1917	.00036	45. Redemption, St. Louis Exposition Bonds	.00030
8. Dry Farming:		32. University of Arizona, Improvement: Chap. 90, Sec. 25, Laws 1917	.00150	46. Redemption, University of Arizona	.00030
Chap. 90, Sec. 34, Laws 1917	.00036		.00030		
9. Free Employment Office:					
Chap. 21, Sec. 2, Laws 1917	.00030				
10. Military (Erecting Armories):					
Chap. 90, Sec. 45, Laws 1917	.00360				
11. Northern Arizona Normal School, Maintenance:					
Chap. 90, Sec. 5, Laws 1917	.00954				
12. Northern Arizona Normal School, Improvements:					
Chap. 90, Sec. 7, Laws 1917	.00030				
13. Pioneers' Home:					
Chap. 90, Sec. 9, Laws 1917	.00216				
14. Pioneers' Home Improvement:					
Chap. 90, Sec. 10, Laws 1917	.00012				
15. Plant Introduction:					
Chap. 90, Sec. 35, Laws 1917	.00036				
16. Prescott Dry Farm:					
Chap. 90, Sec. 38, Laws 1917	.00044				
17. State Prison Maintenance:					
Chap. 90, Sec. 11, Laws					

Questions and Answers

Has a board of supervisors in a county having but one newspaper, power to let a blanket contract at a lump figure to cover the cost of publishing the proceedings of the board and other county publications, regardless of the number of inches of space which those publications will require?

The State Statute which applies to public printing reads as follows:

"Par. 4663. The maximum prices to be paid for all public printing and advertising shall be as follows: For pub-

ishing summons, sheriffs' sales, all notices of the superior court and all other county officers who by law are required to publish notices in a newspaper, the price shall not exceed seventy-five cents per inch for each insertion; for publishing the proceedings of the board of supervisors, the price shall not exceed thirty-five cents per inch."

The above section read in conjunction with Paragraph 2422 of Revised Statutes, which in turn reads:

"2422. The board of supervisors shall let all advertising and publications

and printing of every kind required or authorized to be made by them by contract, annually, subject to the limitations by law provided."

The last paragraph quoted, was a part of the 1901 laws, and the paragraph quoted first above was a part of the amendatory laws enacted by the Third Special Session of the 1913 Legislature. Hence a contract for printing of proceedings which is made without respect to the number of actual inches to be printed, and in excess of the thirty-five or seventy-five cent rates, re-

spectively as above given, falls within the language of Paragraph 2424, that: "no bid shall be considered by the board of supervisors in excess of the statutory rates for such work."

The only contract any board is authorized to make with any paper would be one to pay not to exceed the maximum rate per inch for the actual number of inches of publication made. It has not authority to contract at a lump sum, whether that would or would not exceed those rates in final results for the year's publications.

Results Produced by the State Tax Rate of 39 Cents Per Hundred

ACTING upon a budget prepared by the State Auditor's Department, acting in answer to demands for funds made by various state institutions, departments and commissions, which requests could not be refused by the State Tax Commission, the acts of that commission in regard to State tax rate levies being purely ministerial, a total state tax levy of thirty-nine cents per hundred dollars was made for tax rolls of 1918.

In another place in this magazine is given the rates of tax levies for the different state purposes, the aggregate of all rates being a total of thirty-nine cents per hundred upon a valuation of \$834,020,532.00 of taxable property upon the rolls for the tax year 1918. Upon that valuation there will be raised \$3,252,680.07 in taxes, which when added to the other sources of revenue of the state is expected to meet the expenditures to be made for support and maintenance of all state institutions and state departments for the year now running.

It is true that this aggregate of taxes is less in amount than the aggregate raised in 1917. In that year upon an assessed valuation of \$697,526,619.00 a rate of fifty-three and one-half cents per hundred was levied, which produced \$3,731,767.41 in tax money for state purposes.

The year 1917 followed a session of the state legislature. In that year the amounts raised by taxation included not only those amounts necessary for the current maintenance and support of the state institutions and departments, but included as well many special appropriation amounts to be used for new buildings, new state purposes special to the year 1917, so far as the taxes of that year are concerned in any comparison between the amounts then raised, and the amounts to be raised for year

1918.

These special appropriation items, special to the year 1917, amounted to over \$806,822.40. A list showing each item thereof appears in connection with this article. This amount of \$806,822.00 is in the aggregate composed of items, each of which goes to increase the permanent value of state institutions, buildings, farms and other permanent investments, so to speak, of the state. It has nothing to do with the current cost of maintaining same, or current cost of administering state affairs.

The policy of adding to the permanent investments of the state is one as to which special consideration may be given, but speaking generally of that policy, and specially of amounts appearing in the state tax funds raised for the purpose of carrying out a policy of added investments in that line, it may be said that whole matter is distinct in state finances from the portion of those finances which are raised each year for current expenses of the state.

To get at the matter of amount of funds required each year to cover current expenses of the state, items which come under the head of investment—as above designated—should be deducted from the total amounts of funds raised. Thus when the \$806,822.40 is deducted from \$3,731,767.41, the total taxes of last year for all state purposes, there was left \$2,924,945.01 as an amount provided for current expenses of the state in 1917.

The tax levy of 1918 for state purposes calls for \$3,252,680.07. This includes a total of \$131,908.80 of appropriations made by the special session of the Legislature for 1918. Also includes increased amounts demanded and awarded in tax levies for the different departments, not for investments, but for current expenses.

Taking the tax levy amount for current state expenses in 1917 shown to be \$2,924,945.01, and placing it in comparison with the tax levy to be made for those same current state expenses of 1918, that is the \$3,252,680.07, and that comparison shows an actual increase to the amount of \$327,735.06.

Thus, regardless of increased valuations of state property upon the tax rolls of 1918—that increase to \$834,020,532 from \$697,526,619 of the valuations for 1917—the net result in increased tax burdens of the year 1918 over the year 1917, will be \$327,735.06. That increase represented by nothing at all except contemplated increase in the cost of current administration of state affairs.

Just what increased demands will be made upon the departments for increased service to the public, which warrants an anticipation of an increased expense account of the state by an amount of \$327,735.06 is not apparent from known present conditions. Just why the state affairs could not be conducted within the limits of last year's actual expenditures is not known.

In private affairs every effort is being made to curtail expenses. Successfully made too. The efforts of private individuals to reduce their expenses, conserve their funds, and economize, that each may be better able to respond to demands for investment in liberty bonds, thrift stamps, and Red Cross funds, has been marked by successful results, shown by the subscriptions of the Arizona public to those various purposes. That same public seems powerless to control public officials, either by requests, example, or by express demand from the United States government. An item aggregating \$327,735.00 drawn from the taxpayers of this state, for increased state expenses, means thwarting the individual efforts of those tax-

payers to economize for war conservation, to just that amount.

In another article in this issue of the Magazine, the increased amounts raised for county purposes for the year 1918 is shown. Again in that connection the efforts of taxpayers at private economy is blocked to the amount of that increase, \$1,259,664.80.

The question to be answered by the public of this state, is what is that public going to do when it goes to the tax-

collector's office and finds that it has to pay increased taxes for 1918 amounting to over \$1,587,399.86 more than what it paid last year, and to that amount finds that the aggregate efforts of that public at private economy and war conservation has been rendered of no avail for reason of the necessity for payment of increased taxes to that amount, a situation not to be avoided except by united public action to enforce public economy and conservation.

Special Appropriations in General Appropriation Bill of 1917, Raised by taxes in 1917-1918. No Corresponding Items for 1918-1919 Taxes

Sec. 3A. Asylum Farm	54,000.00
Sec. 4. Asylum Improvements (excess)	10,000.00
Sec. 6. Northern Ariz. Normal (wing)	75,000.00
Sec. 8. Nor. Ariz. Normal (Deficit)	11,064.00
Sec. 10. Pioneer's Home Repairs (excess)	3,000.00
Sec. 13. Purchase State Prison Farm	40,000.00
Sec. 14. Purchase team, equipment, etc., State Prison Farm	10,000.00
Sec. 16. State Fair Deficit	6,000.00
Sec. 18. Boy's Dormitory Tempe Normal	50,000.00
Sec. 19. Hospital and Heating Plant Tempe (excess)	25,000.00
Sec. 24. Dormitory State University	100,000.00
Sec. 46. State Arsenal	20,000.00
Sec. 48. Capitol Addition	125,000.00
Total	\$529,064.00

Special Appropriations in Special Legislative Acts 1917, for Taxes 1917-1918, Not in 1918-1919 Taxes.

P. 18. To pay Gregg judgment and int.	17,224.00
P. 19. To pay W.A. Combs' back salary	390.00
P. 25. To pay C. M. Cronin suit exp.	500.00
P. 42. To meet deficiency Woman's Ward Asylum	3,000.00
P. 96. For Mining Bldg. State Fair	30,000.00
P. 97. For Wellton Bridge	50,000.00
P. 41 Purchase Gubernatorial Mansion	7,000.00
P. 101. Florence Bridge	50,000.00
P. 114. Relief W. J. Corbet	289.40
P. 115. Artesian well, Apache County	10,000.00
P. 119. Relief Mrs. Henderson, teacher's salary	355.00
P. 125. Approaches Clifton-Solomon Bridge	30,000.00
P. 102. Highway bridge at Coldwater	22,000.00
P. 108. Approaches to bridge, Gila river at Pima	12,000.00
P. 112. For Verde river bridge at Cottonwood	20,000.00
Excess cost Regular Session Legislature over cost Special Session 1918	25,000.00
Total	\$277,758.40

Grand Total Excess Appropriations 1917 over 1918 **\$806,820.40**

No Road Work Except After Approval of United States Highways Council

By Request of the United States Highway Council publicity is given to the fact that all counties, townships, or districts, and cities, must make application to the United States Highway Council for all proposed highway, street, culvert and bridge construction, reconstruction, and maintenance, involving (1) the issuance of bonds, (2) the use of rail or water transportation, (3) the use of coal or oil as fuel, (4) the use of cement, brick, asphalt, oil, tar, crushed stone, steel, and also sand and gravel (where shortage exists) as highway materials, and that application must be submitted for approval through the State Highway Department. Forms have been prepared for this purpose and will be furnished that

department by the Council and upon request will be forwarded to those wishing to make application.

The orders of the Council direct that no manufacturer shall furnish any road building material until the project has been approved by the United States Highways Council. The Council also urges that new highway and street construction be confined to the most essential needs and that the less essential projects be eliminated so far as possible. It ranks maintenance of existing streets and highways first, reconstruction second, and new construction third, in the following relative order of importance:

(1) Highways and streets of military importance.

(2) Highways and streets of national economic value.

(3) Unfinished contracts involving contractual obligations (incurred prior to April 5, 1918, where bond issue is involved) which may not be disturbed without serious consequences.

(4) Streets and highways, which although not of national economic importance, are of such extreme local importance, or the construction of which has progressed to such a point as to cause a serious hardship if their construction or completion is postponed. The Council further requests that as far as practicable the signed applications for approval of applications made by officials in charge of proposed highway work and not by the contractor; it also urges that the applications be made out complete in detail as to the proposed work and that full information be given as to the progress of the work already under way.

The United States Highways Council has requested the American Association of State Highway Officials to assist them in gathering the necessary data for next year's road work, and it is understood and expected the various highway departments of the United States will cooperate in every way possible with the United States Highways Council with the view of meeting as far as possible all of their requirements. The Highway Departments of the various states are requested by the United States Highways Council to collect the information from the counties, townships, or districts and cities. This information should cover all work whether construction, reconstruction or maintenance. It is urged by the Council that officials or others who wish to receive the necessary material, labor, etc., for next season's work that statements showing their requirements must be filled out and filed with the State Highway Department of the State no later than October first. Forms for such requests will be furnished by the department.

The Council has asked that as much publicity as possible be given to these orders and that all known violations be brought to the attention of the Administration. This information has been requested by the Government to impress upon all public officials the urgency of the work since it is important that the United States Highways Council should be in position to prepare their schedule of requirements for next season's road work, particularly on the four essentials, supplies, cars, money, and labor.

JAN 28 1919

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ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS' MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME FIVE

PHOENIX, ARIZONA, SEPTEMBER, 1918

NUMBER NINE

A recapitulation of figures involved in State Finances, tax rates, annual taxes, other annual sources of revenue, and totals of yearly expenditures, for completed fiscal years

Tax Rates Per \$100.	For Yrs.	Taxes Produced.	Gross Receipts Tax and Other Revenues.	Expenditures Warrants Drawn.
.90	1911-1912	881,750.00	1,192,100.40	1,324,921.70
.90	1912-1913	1,263,495.00	1,708,914.43	1,629,381.00
.90	1913-1914	1,811,664.00	2,270,571.98	2,404,190.00
.49½	1914-1915	2,265,757.15	2,525,791.85	2,702,041.00
.54	1915-1916	1,935,890.00	3,053,690.02	2,924,597.00
.40	1916-1917	1,945,626.00	4,316,806.48	3,305,035.00
.53½	1917-1918	3,731,767.41	(No official figures)	4,637,183.00
.39	1918-1919			

The State Tax Rate of Thirty-Nine Cents Per Hundred on
\$834,020,532.00 Will Produce \$3,252,680.00
From Tax Rolls of 1918, Being for the
Fiscal Year 1918-1919

EDITORIAL COMMENT

Some Figures as to Cost of Upkeep Capitol Building and Grounds

THE budget upon which the tax levy for state purposes is based for this year contains an item as follows:

"Capitol Building and Grounds \$125,000.00"

That item can properly refer to no other matter than the cost of keeping up the building and grounds of the state Capitol. It has no connection with another item of \$125,000.00 raised last year for purpose of constructing an addition to the building.

Figures as to what it actually costs to keep the grounds in shape, and do the work around the building, are not easily accessible. The State Board of Control, in its report for year 1915, gave a total cost, charged to that purpose, of \$36,884.94, itemized that total by figures which follow:

The expenditures for the year were divided as follows:

1. Operation	\$15,108.14
1. Salaries	\$7,999.85
2. Water	625.70
3. Electricity ..	1,782.80
4. Insurance	199.60

5. Ice	409.40
6. Freight and Drayage	79.86
7. Telephones ..	1,240.98
8. Fuel	447.98
9. Gravel	462.00
10. Miscellaneous Supplies	1,859.97
2. Maintenance	7,337.55
1. Labor	134.18
2. Typewriters (purchase and repairs)	2,005.81
3. Adding Machines	673.63
4. Furniture and Filing Equipment	4,196.32
5. Miscellaneous Supplies	327.61
3. Improvements	9,791.66
1. Remodeling Furnace Rooms, etc. ..	4,786.09
2. Remodeling Elevator	1,883.75
3. Lighting System for grnds	1,800.00

4. Miscellaneous	1,321.82
4. Miscellaneous ..	4,647.00
1. Binding newspapers	1,348.20
2. Extra Expense, account legislative session	2,208.15
3. Miscellaneous	1,090.84

We also quote from Section 86 of the general appropriation bill of 1915, as follows:

"To pay for the maintenance, upkeep and repairs of the state Capitol building and grounds there is hereby appropriated the sum of thirty thousand dollars, (\$30,000.00) fifteen thousand dollars, (\$15,000.00) or so much thereof as may be needed, to be expended under the direction of the Board of Control during each of the years ending June 30, 1916, and June 30, 1917."

Comparisons of the figures presented seem to be unnecessary. The figures and details so far as presented, speak for themselves.

Indifference of the Public as to Causes of Increased Cost of Government

FIGURES and statistics based upon figures are enigmas to most of us at the best. Many people who are the most interested in the questions of finances involved in public expenditures, do not concern themselves with the figures involved therein. Do not concern themselves with any question as to cause and effect which may be and is directly connected with aggregates of cost of government, put aside any consideration of those matters which, were they considered at a proper time, would be recognized as being the causes which have brought about the enormous increases in the cost of supporting all branches of government, state, county and city governments in the state of Arizona.

Many people are indifferent to those certain results which follow from certain practices in use right under their very eyes, which practices directly tend

to produce that increased cost of public activities upon all sides, and then wonder why it is that their taxes are increased from year to year.

For a period of nearly four years this Magazine has suggested to the people of this state that it do some figuring. It has repeatedly and constantly presented tables of statistics bearing upon the cost of public activities. It has called attention therein to the facts as to increased, and constantly increasing cost to the public of those increases. Steadily during that same period the demands upon the taxpaying public have been increased due to no cause at all, except the increased amounts expended to meet current expenses of state, counties and cities.

In connection with those increases in current cost of one year, as compared with others, there is but one element

which can really justify any increase. That element is the necessity arising from increased demands, due to newly discovered activities on the part of officers, departments, and institutions, necessary to the public, that the operating government may be efficiently administered to the common good and welfare of the people of this state. That the cost of such a government may warrant an increase in the amount of current yearly expenditures for the purpose, and may excuse a necessary increase in the amount of public funds raised each year, does not excuse, not justify any extravagance, any lack of economy, or any lack of business efficiency, to be applied in the actual expenditure of that increase in amount raised and expended.

This Magazine has presented the facts and figures. It has suggested that the public use those facts and figures and

figure the matter for themselves. It may be suggested also, that it takes more than paper and pencil figuring to change the situation, practices, and policies, as each exist, respecting the use of public funds in this state. The public may figure and figure, without result. That result may be attained in no manner except by using tactics similar to those used in private. When we desire to decrease our private expenditures, we start by using such means as will compel the members of our family to reduce their demands which would otherwise result in expenditures from our private purses. We insist that those demands be kept within the limits of real necessities.

In private life, when it becomes necessary to save and conserve our funds, we start by reducing to the minimum, the amount of daily, monthly and yearly expenditures, by a reduction thereof to a maximum amount not exceeding the maximum of actual necessities to the support and proper care of our families. In the case of public expenditures, a like rule of limiting maximum expenditures should apply. When it becomes necessary as under war conditions, it is now necessary, to actually economize

and conserve to a limit of the cost of what is presently indispensable to public affairs, if public officials fail to recognize the necessity for economy and conservation. Or, when in the face of the above, and the conditions referred to, those public officials continue with unrelaxing purpose and policy, to spend more and still more, and continue in a course of raising more and still more funds for expending, and do both regardless of any sense of duty, regardless of requests from the public, regardless even of positive orders from departments at Washington, directing and ordering a policy of extreme economy and conservation in public expenditures. If public officials still continue in a course which fails to recognize and apply such requests, demands, and directions, then each and every one of officers who so fail, should be made to feel the power of the people of this state, exercised in such manner as will compel that recognition of rules of economy and conservation.

Each and every public official, whatever his position or office, who at this time fails in doing his full duty in lines of economy and conservation of public

money, should be stripped of any power which he now has over public money and public expenditures, and of all power to direct or control any future disposition of the public funds.

The people have accepted promises as to economy in public expenditures. That people have patiently waited for evidences of any fulfillment of those promises. The present financial needs of the United States government, the direct connection between the people of every state, including Arizona, as to providing war funds, the facts surrounding increased expenditures in Arizona—made and in contemplation by the officers—squarely presents an issue to the taxpayers and general public of Arizona. An issue which cannot with safety be satisfied with further promises. That issue must be met with such action upon the part of the public, as will insure results.

There is but one answer to the question. Public funds must be conserved. The power to so act and answer that question, and to insure results consistent with that answer lies in the people from whom the power to spend comes as a power temporarily delegated.

An Economical Administration of Public Affairs Depends Upon the Amounts Actually Expended--The Purposes Thereof--Rather Than Upon Amount of Tax Rates

A TAX rate may be high, the amount of taxes raised by that rate may be low, the year's expenditures may be correspondingly low. A tax rate may be low, the amounts produced by a levy of that rate may be three to four times the amount raised from a higher tax rate of the previous year, the expenditures may be correspondingly greater. If the tax rate in each year was for the same public purpose or purposes, it is perfectly plain, that the tax rate in either year has no bearing upon the question of whether or not the amounts raised and expended in either case, were excessive or otherwise.

There are certain expenses of the state and counties which have to be provided for each and every year. Think of those expenses as classed under the general head "CURRENT STATE EXPENSES." There are certain appropriations of public money for new buildings, other appropriations for additions to buildings already constructed; more money is required to use for establishing a permanent highway system, permanent common school system, and the like; new farms are purchased and

equipped. Money so raised is for permanent additions to the value of the institutions of the state, that money may be referred to as being raised for "PERMANENT STATE IMPROVEMENTS."

Every expenditure made for public purposes when properly classified, will fall under one of the two general heads as above indicated, either for current expenses of the state, or for permanent improvement of the state institutions.

Every year the tax rate for state purposes includes amounts to be raised and expended for both purposes—current expenses and permanent improvements. Comparisons as between years, must take into consideration the amounts in each year's taxes, raised for purposes within each of those classifications.

If it is desired that comparisons be made as between the current expenses of two years, the items which are included in the expenditures of that year for those current expenses must be segregated from all items which should be placed under the head of expenditures for permanent improvements to state properties. The aggregates of those segregated amounts are the amounts to be

considered in making the desired comparisons. The total tax rate, which covers the amounts to be raised for all purposes, has no place whatever in making a proper computation upon which to base a conclusion as to whether or not the current state expenses as provided for by taxation in any year, are reasonable in amount, necessary in amount, as compared with taxes raised for current expenses in any other fiscal year.

The comparison involves amounts raised, rather than total rates for all state purposes, in any case where comparison is attempted.

As an illustration of the propositions above made, it appears from state reports that a ninety cent tax rate for the fiscal year 1911-1912, produced \$881,750.00. It appears that a thirty-nine cent state rate for the present year, 1918-1919, will produce \$3,287,000.00. The latter tax rate provides \$2,405,250.00 more for state purposes than the ninety cent rate provided in year first mentioned. If a reader wants to ascertain why it costs the state of Arizona \$2,405,250.00 more to conduct its af-

(Continued on Page Four)

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS' ASSOCIATION OF ARIZONA

Subscription September, 1918 50 Cents

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AN ECONOMICAL ADMINISTRATION OF PUBLIC AFFAIRS DEPENDS UPON THE AMOUNTS ACTUALLY EXPENDED—THE PURPOSES THEREOF—RATHER THAN UPON AMOUNT OF TAX RATES.

(Continued from Page Three)

factors for 1918-1919 than it did in 1911-1912, immediately his comparison involves the amounts raised by taxes in each year, with a segregation as above suggested, that he may ascertain the reason why that increased amount of \$2,405,250.00 is necessary at this time.

Continuing the above comparison. Investigations along the line of a separation of current expenses of the state from amounts raised for permanent improvements and additions to state properties and enterprises, may lead to the fact that but little money was raised in 1911-1912 for the latter purposes. The investigations continue into the year 1912-1913. The tax rate for state purposes was ninety cents for that year. The state legislature had been in session. It had created new state offices, commissions, and the like; it had provided for a state common school fund of \$500,000.00, and for a road fund of

\$250,000.00. The revenues to the state from other sources than taxation then entered into that comparison. The ninety cent state rate produced \$1,263,495.00, the total revenues of the year were \$1,708,914.43, the total expenditures were \$1,629,381.00. All for the fiscal year, 1912-1913. Coming to a similar year, 1917-1918, where the taxes include \$447,000.00 addition to the state road funds over \$1912-1913, and an addition of \$250,000.00 to school fund over amount taxed in same year, the comparison again brings out the fact that the amount raised by taxation in 1917-1918, was \$3,731,767.41. The total expenditures of that year were \$4,637,183.00. Regardless of tax rates amounts, the amount raised by taxation, increased over \$2,458,000.00. The expenditures increased over \$3,107,000.00, in 1917-1918, over 1912-1913. Out of the taxes

for 1917, will be eliminated over \$707,000.00 then raised for permanent improvements to state properties and institutions. That elimination leaves over \$2,024,000.00, raised by taxes in the year 1917, for current expenses of the state for that year. The comparison brings out the fact that the actual expenditures for state purposes in the year ending June 30th, 1918, totalled \$4,637,183.00, this expenditure exceeded the taxes of that year by over \$900,000.00. That total exceeds the total expenditures of 1912-1913, by over \$3,000,000.00.

If the taxpayers of this state desire to get at the root of the question as to why the state requires constantly increase amounts in the conduct of its affairs they must go into the matter further than comparing tax rates of various years.

Expense of the County Councils of Defense

The Board of Supervisors of Yuma County submits the following communication:

Office of the Board of Supervisors of Yuma County

Yuma Arizona, Oct. 1st, 1918.

The Board met at 10 o'clock A. M., this date pursuant to adjournment with all members and clerk present.

Whereas, as a war measure, a County Council of Defense has been established under the plan of organization and work suggested by the State Council of Defense, with whom the County Councils are to act in conjunction the necessity of which work will entail certain expense for which expense no provision had been made.

And, Whereas, the Board of Supervisors appoints the head of the County Council of Defense and largely directs its work,

Therefore, the premises considered, and the law under Chapter 3, Title 10 and Par. 2386 to Par. 2391, Sub. 11 thereof, and Sub. 5, 18, 23 and 24 of Par. 2418, Revised Statutes of Arizona, 1913, authorizing the same, on motion duly seconded and unanimously carried, it is ordered that the said County of Yuma defray the expense of said County Council of Defense which might be necessarily incurred in the prosecution of said work.

As to the above, attention is called to Section 5, of Chapter 7, Laws of Special Session of 1918, at page 13, which pro-

vides for "County Councils of Defense to be created under the State Council of Defense. Attention is also called to Section 11, of that same act, which reads

"For the purpose of carrying out the provisions of this act, to the 30th day of June 1919, there is hereby appropriated from any moneys in the state treasury not otherwise appropriated, the sum of Twenty-Six Thousand Dollars, or so much thereof as may be necessary * * *. Upon presentation of claims, duly approved by the Council, the State Auditor is hereby authorized and directed to draw his warrant, and the State Treasurer is hereby authorized to pay same."

From these provisions, and other provisions of the act, it seems to be true, that County Councils of Defense—so-called in the act—are really state officers, and that the expenses made by those officers, are state and not county charges, payable out of state and not out of county funds.

The suggestion above made is so made, that the burden of Council of Defense work may fall just where the legislature has provided it should fall in the act creating that Council. The spirit of patriotism manifested in the resolution is not overlooked, and is to be commended as such, but Yuma county should not be permitted to appropriate to itself any portion of that same spirit of patriotism, existing, recognized, and by the legislature intended to be equally shared by the people of the state at large.

Excessive State Taxes Depletes the Revenues of the United States

Under the income tax law taxes paid for state, county and municipal purposes are deducted from the gross incomes arriving at the net results upon which to compute the amount of income tax due the United States.

It goes without saying that every dollar of taxes paid by any firm, corporation, or individual, for taxes, is just one dollar less upon which to compute at the income tax rates which apply to that firm, corporation or individual, the amount of income tax due to the government.

It follows as a necessary consequence, that for every dollar which is thus cut off from income taxes, means another dollar to be raised by the United States from Liberty Bond Loans, thrift stamp sales, and the like. In other words to the extent that the income tax returns will not support the war, the government must borrow from its people.

In the case of railroads, telegraph and telephone companies, now operated under government guaranty as to the amount of final net returns to the stockholders, the amount of taxes paid to states, counties, cities and otherwise, reduces the actual current net earnings of these properties, and thus directly become items which in the final settlement between the companies and the government, which may finally create a deficit to be paid by the latter to meet its guaranty.

Every dollar of taxes paid by any individual is just a dollar which depletes his available resources, and a dollar less available to that individual for Liberty Bonds, Thrift Stamps and other war requirements.

The failure of taxing officers, to reduce where possible the budgets for public expenditures which are to become the basis for tax levies; the failure of administrative officers to keep actual expenditures of public money within the extreme limits of absolutely and only public necessities, are failures which directly tend to bring results as above suggested. Results which directly effect the income revenues of the United States, and directly effect the floating of war loans among the people—those people who must curtail their expenses, save from their incomes in all manners possible, that they may lend their savings to the government.

The income tax rates vary in percentages, according to the amounts of net earnings. Individuals and corporations

with incomes of over \$1,000,000.00 per year pay nearly sixty per cent of that net in income taxes. In Arizona the assessment rolls show aggregate amounts of assessments as follows: Mines and connected properties, \$489,256,373.00; railroads, \$98,416,663.00; telephone and telegraph companies, \$3,212,399.00; gas, light and power companies, \$7,549,840.00; banks and banking properties, \$8,577,683.00. A total of valuations amounting to \$506,912,959.00 placed upon the properties of classes named, out of a total valuation of all property in the state, of \$834,020,532.22. With these assessment values, it follows that out of every dollar of taxes paid for state purposes, and for county purposes the mines and mining properties pay fifty-eight and four-tenths cents of that dollar; that the railroads pay eleven and seven-tenths, the telephone and telegraph companies pay three and eighty-three-hundredths cents, the utility companies pay nine cents, and the banks twelve cents.

It appearing that the taxes raised in this state for the present year for the maintenance of state departments, offices and institutions, for the maintenance of county government and county institutions, have been increased by an amount of over \$1,580,000.00 from the totals raised for the same purposes last year, the matter of considering the actual effect which this increase has upon the war financial revenues of the United States is vital.

The amount—\$1,580,000.00—diverts just that amount from the taxpaying public—reduces by that amount, the available means of taxpayers of all classes, which otherwise would be available in their hands for war purposes, subscriptions to loans, Red Cross, and other war projects.

Every mining company in this state which appears assessed at over ten millions, comes within the class which under the war income tax law, has a net income of over one million dollars. Explanatory of which is the fact that the assessment valuations of that class of properties is computed with respect to an earning of ten per cent. The assessed valuation being ten times that earning. Out of the above increased amount of 1918 taxes—\$1,580,000.00,—the mining properties pay at the rate of fifty-eight and four-tenths cents of each dollar thereof, an aggregate of \$913,888.00. The question then arises as to

how much of that \$913,888.00 would have been paid into the treasury of the United States, except for the increased taxes in this state. A normal tax for income of two per cent, an additional twelve per cent under the 1916 income tax law, and still another fifty per cent under the amendments to income tax law of 1917. Sixty-five per cent in all. Using these figures, it appears that \$594,017.20 will be paid into the state and counties of Arizona, due to increased taxation, instead of a payment of that amount to the United States for income taxes of 1918.

Pursuing the same process of computation, the railroads of the state will pay into the state and county treasuries, \$184,860.00 of that \$1,580,000.00 increased amount for 1918. Of that \$184,860.00, the neat amount of \$120,059.00 would otherwise have been paid as income taxes into the United States treasury for war needs and purposes.

This article will go into a length which will trespass upon the time of our readers, if an attempt is made to give figures upon which to base calculations and get amounts which as to the other classes of properties named in the article, will be the amounts diverted from income taxes to the United States, on account alone of increased taxes in Arizona.

Nor within the scope of this article is it possible to make computations respecting the effect which this increased state and county tax levy of \$1,580,000.00 has upon the amount of income taxes which would otherwise be paid into the treasury of the United States by taxpayers whose property appears upon the rolls as a part of the \$200,000,000.00 assessed thereon as a part of the \$834,020,532.22 valuations for 1918. Without making further specific computations, it is safe to say, that the increased taxation in the state of Arizona, will result in **depriving the United States treasury of over \$750,000.00 in income taxes for 1918.** The amount shown for mines and railroads is \$715,000.00. Whatever is diverted in excess of the \$35,000.00 needed to make up the figures—\$750,000.00—may be used for "good measure", just as the tax levy to the general fund of the state contains an item of \$100,000.00 put in for "good measure" as a part of the \$1,580,000.00 increased taxes.

If an agent of the German kaiser, stood in front of the revenue offices of

this state, and demanded of the persons who were about to pay their income taxes to the United States, a contribution therefrom aggregating \$750,000.00 the people of this state would immediately take notice. Would at least ask the reason why. The question "why" is a pertinent one, even though the diversion of that amount of \$750,000.00 is

due to excess and increased tax levies in this state. A German agent attempting such demands would be readily put out of the way. If the answer to the question "why the increased taxes" is not answered without evasion, and those answers supported by reasons of actual necessity warranting that increase, what

action will the people of this state take to eliminate a possibility of further like diversions?

Criticisms of extravagance of public officials in ordinary times might be construed as political questions, but extravagance of public officials as well as extravagance of ordinary citizens in war times can only be construed as a crime

Uniformity as to Purchases and Costs of School Supplies

THE attention of the public has been frequently called to the constantly increasing cost of maintenance of the common schools of this state, and attention has been called to the fact that the cost of supporting schools in some instances has increased out of proportion to the cost in other schools, and which difference in cost cannot be explained upon any reasonable basis due to location of the schools, or the normal conditions surrounding them.

This Magazine has heretofore published in full a survey of the schools of Maricopa County, by the committee appointed by the County Teachers' Association of that county, which committee was assisted by The State Taxpayers' Association. That Association has made other investigations, along the same lines as covered by the school survey referred to above, and this Magazine has from time to time published the facts which were disclosed. The results have been found to be from similar causes in each investigation.

Among the deficiencies was found a lack of uniformity in keeping of accounts of school transactions involving the expenditures for schools. Marked differences in amounts paid for similar supplies, school furniture, furnishings, and apparatus. In some cases, instances of purchases of articles wholly unfit, or wholly without merit, for educational purposes. Instances were found, where under the guise of leases of school buildings, the latter were in fact being purchased from state and county funds distributed to the district, an evasion of the legal duty of the districts to raise within the district, funds with which to provide and pay for is school buildings. School houses were found, equipped in manner more adapted to meet the requirements of social gatherings and public meetings, than for common school educational purposes. The whole situation presents one in which the element of uniformity is lacking from the school system of the state, taken as an entire system.

Again it may be truthfully said, that

if a uniform school system is desired by the people of this state, attention must be directed to the details of the present system, and to the differences which exist as between school districts, now present, and preventing such uniformity. If that uniformity requires a distribution of funds upon an equal per capita basis, to equal an average per capita cost of schools, the basis thereof will be uniformity in cost of supplies to each pupil, evidenced by actual costs shown by some common, similar, and actually used, system of accounts for all schools of the system. **That uniformity will also depend upon provision made common to all schools of the state, under which a dollar expended for incidentals, supplies, furniture, and school apparatus, will buy as much in one district, as it will in another.** Whether the present differences in amounts used for the same common features of our schools, depends upon differences in business ability, in experiences as to cost values, or to something else, the cause thereof must first be ascertained, and then dealt with in such manner that the desired uniformity of cost be attained for all schools.

If the cost of maintaining our public schools is to be met from a distribution of state taxes, and state funds, then to the extent that uniformity among schools may be controlled respecting the use of those funds, there seems to be no escape from the proposition that the powers of local boards must be so changed, that their remaining powers do not conflict with an established uniform system, common to all schools in the state. If the fountain head from which a perfected school system in this state is to flow, are those state funds, there must be no diversion between the head and the resulting system, due to conflict of ideas, as between local and state or possibly county officials and school boards, as to manner of perfecting that system. The line of control of state funds, raised and provided for a uniform school system in this state, must under some consistent rule of action,

continue and extend to an actual application of those funds to the purpose for which provided.

If it is to be conceded, that the present system under present practices, does not give the desired uniformity, then there should be no hesitancy in the matter of discarding all and every feature connected with the present system, which stands in the way of perfecting a new system which will be uniform.

This Magazine is at all times a firm supporter of the ideas of a permanent and wisely constructed system of common schools in this state. It believes that the future stability of American ideas of liberty, common and equal justice to all, and the preservation of the foundation principles upon which those ideas rest, depends in no small measure upon a proper education of the growing youth of this state. In all respects consistent with that position, the Magazine cannot escape the conviction, that those educational ideas may become possible, at less cost to the public than the present cost under the present school law system in this state. It believes also that the ideal in educational advantages may be sooner realized for the school children of this state, by such a revision of our present school laws as will discard every feature thereof which exists therein due to traditional sentiment, or historical precedent, or the like, and which as a feature or factor, stands in the way of bringing our state school system up to date, making it adaptable to present conditions, and perfecting it along lines of absolute uniformity in results in educational advantages presented to all parts of the state. This Magazine is decidedly for the elimination from the present system of factors therein, which increase the cost of our schools to the public, and retard, rather than tend towards progress towards the educational ideals of all concerned.

This Magazine is firmly of the opinion that any advance towards uniformity among the schools of the common school system of this state, any progress

towards equality in the educational advantages offered to school children of the state in no matter what district thereof, they may be, must be based upon such a revision of the school laws, as goes to uniformity in the use of money and towards uniformity in the purchasing power of the money used.

Put the money devoted to purchasing for the common schools under the control of some central purchasing power or authority, and the question of varying prices paid for school supplies will be no longer a question. This does not mean a purchase of supplies in a distant market, the congregating of those supplies at some central distributing point, and there passed out to the schools. It means the creating of power in the hands of a body of men, with knowledge of prices

and values, who may contract and thus fix the prices at which supply houses will directly distribute those supplies to schools, according to the needs of each.

Provide for the keeping of such a system of accounts, in connection with every one of the common schools of this state, that every detail as to supplies received, used, and on hand may be ascertained. Include in that system of accounts such uniformity of detail, that from them may be ascertained, the necessity for use, the actual use, and the amount used, from school funds.

Distribute common school funds according to actual needs of schools, when these needs have been ascertained from and with respect to the suggested system of accounting.

Start a revision of school laws, by

placing the schools upon such a system respecting the finances thereof, all as suggested or in line therewith, and other features in a perfected school system along lines of equality and uniformity, will follow as a necessary consequence.

With such a system of purchasing, distribution and accounting in force, used and applied, with power placed in the hands of properly experienced and conscientious men acting within ideas of possible economy as to matter of purchases and expenditures, there can be no doubt that future increases in the amounts devoted to common schools would be justified as arising from real need for such increases for actual necessities arising from larger attendance in schools, or a development of branches of education into more extensive fields.

Uniformity and Effectiveness in State School System

THE last legislature made provision for a commission whose duty it will be to suggest revisions of the school laws of this state, such amendments to the laws regulating common schools as in the judgment of that commission may be deemed advisable. The Magazine is not advised as to what progress has been made in the line of such a report, but it does know that certain amendments may be made which will inure to the benefit of the taxpayers, and not detract from the efficiency of our common school system. Amendments which in fact will tend to increase the actual results in educating the school children of this state, and lessen the cost of so doing.

When it is born in mind that the common school system of this state is divided into some four hundred and seventy-five distinct school districts. Each district having its separate school board of three members. Each having its separate quota of teachers. When it is also borne in mind, that the only uniformity among these districts, and the only maintenance cost which is now centralized, is with respect to the free text books, furnished at state expense, from that situation it will certainly appear, that as to the details in the conduct of the schools, the cost of other school supplies, the keeping of accounts of school expenses, may vary, and the actual doing of these things may be as different in different localities of the state, as there are different boards of school trustees to direct how these things shall be done.

If real uniformity among the schools in this state is desired by the people. If it is the real purpose and intent to pro-

vide by law for such a system of common schools in this state, that the educational advantages in the common schools in isolated districts be on a par with those advantages in more central and densely populated parts of the state, it seems the first step to be taken to bring that purpose into effect, is a step towards a more centralized control of the system itself.

The state common school fund for distribution among the counties amounts to nearly \$850,000.00 per year. Seven hundred and fifty thousand is annually raised by taxation, and to that amount is added interest upon sales of school lands, rentals of school lands, forest reserve funds, and the like. In distributing these funds, the numbers of the school census of persons between six and twenty-one years, is taken as the basis for state distribution to counties. When the counties divide the respective allotments from that distribution, they do so with respect to an average school attendance of pupils for the highest six months of the school year in each district. Thus at the very start, a possibility exists, that some county will not get its portion of state school funds, equal to its actual requirements, i. e., its actual use to pay teachers and expenses in educating the pupils who actually attend schools.

In the distribution of school funds to districts, another arbitrary rule applies under existing laws. Reference is made to the law requiring not less than thirty-five dollars per pupil, based upon the highest six months average attendance of pupils, and not less than eight hundred and fifty dollars in schools under thirty-eight pupils in such an average,

nor less than seventeen hundred dollars, to schools which average over thirty-eight. If the records of the counties are examined, it will be discovered that this distribution actually results in failure to provide enough funds for some districts, and provides too much for others. Complaints are made that interest must be added to the face of bills for purchases of school supplies, to cover a period of waiting until funds accumulate; additions made to teachers' salary warrants to cover situations involving discount of these warrants due to lack of funds. In some districts deficits appear at the end of each fiscal year. In other districts there remain unexpended balances nearly equal to total amounts requested as necessary for an entire new year. Undoubtedly there are certain fixed expenses, other than teachers' salaries, supplies to pupils, and school room equipment, which are common to all schools, whether the daily average attendance is one pupil, or thirty-eight pupils. Those fixed expenses take the form of fixed amounts, no greater in one district than in another. The lack of uniformity in distribution of funds, arises when to meet those common, equal and fixed expenses, funds are provided based upon a sliding scale, determined by not less than thirty-five dollars per pupil of the daily average attendance. If equality among districts is attained, then the distribution of state school funds should be made with strict attention to common units of needs of every school, coupled if necessary with proper provision to care for differences in cost of maintenance of schools, due to the per capita of attendance.

Questions and Answers

To what extent did the act creating the Commission of State Institutions, give that commission powers over other departments and institutions of the state?

The act which creates that Commission, found on page 129 of Session Laws of Arizona for 1917, has never been construed, in whole or in part by any court of this state. The answer to above question will be made in the language of the act itself, so quotations therefrom are made in this answer.

Sec. 6. Under the regulations of this act the Commission shall have the oversight and general control of the Hospital for the insane, the care and education of the Deaf, Dumb and Blind, the State Prison, the State Industrial School and all charitable, reformatory and penal institutions, that are or shall be by law established and maintained by the state of Arizona; the State Fair, the Arizona Pioneers' Historical Society and all State Institutions that are or shall be by law established and maintained by the state of Arizona.

Sec. 7. Where in the statutes of Arizona shall appear any words or terms referring to the management of the state institutions herein specified, the same shall be construed to mean the "Commission of State Institutions".

Sec. 8. A complete record of each notice of appointment, and other important papers shall be kept in the office of the commission. The commission shall prescribe a uniform system of records and accounts for all institutions under its control and shall provide all necessary books, blanks and other supplies for the making of reports and the keeping of accounts. It shall establish a uniform system of bookkeeping, so far as practicable, in similar institutions, and shall institute and require the keeping of a system of accounts and requisitions, showing the purchase, storage and consumption of supplies for subsistence, construction and other purposes. It shall keep in its office at Phoenix, a complete set of books and accounts, with each institution, which shall show every contract made, every appropriation by the legislature for the support of each institution, receipts from all sources, and every expenditure made for any purpose. Said books and records shall at all times to be open to public inspection.

Sec. 9. The Commission shall appoint all officers named in any statute of Arizona to be appointed by any management superseded by the Commission

except the Law and Legislative Reference Librarian. All such appointments shall remain effective until revoked by the Commission.

Sec. 13. The Commission shall prepare annually a detailed statement of the cost of maintaining each institution under its control and shall furnish the Governor annually with a complete report of the condition and work of each institution, showing in detail every financial transaction and including the dates of official visits paid by each Commissioner to each institution. Such annual report shall also include reports by the chief executive officer of each institution, and shall be filed not later than the first day of December of each year. The Commission shall prepare an estimate of necessary appropriations for the support and needed improvements of the several institutions for the preceding biennial for the use of the Legislature. Such estimate shall be printed and may include a report of the results of investigation of methods of institution management and the treatment of patients and inmates, with suggestions for the betterment of any or all conditions.

Sec. 15. The Commission shall purchase all necessary supplies for the institutions under their charge, except minor purchases excepted at their discretion. Estimates of needed supplies shall be furnished to the Commission by each chief executive officer. Such estimate shall be examined by the Commission and an itemized statement of such as are approved by the Commission, showing the kind, quantity and quality, shall be filed with the Secretary and upon request shall be furnished to any applicant therefor. Such purchases shall be made under the provisions of the law relating to the Board of Control.

Sec. 16. The Commission shall have general charge over the erection of new buildings and over all repairs and improvements of buildings, and of the improvements of grounds and other properties for which legislative appropriations are or shall be made.

Sec. 21. The Board of Regents of the University of Arizona, the Boards of Education for the government and control of the Normal Schools of the State of Arizona, the Arizona Fair Commission, the Board of Directors of the Arizona Pioneers' Home Society, the Board of Curators of the State Library, and the Board of Curators of the State Law and Legislative Reference Library, are hereby made subject, in all matters effecting the receipt or expenditure of funds, to the superior authority and direction of the Commission of State Institutions; and the Board of Control is hereby abolished.

Amendments Needed That Tax-Money be Available for Distribution to Schools

COUNTY authorities have been confused in attempts to fix amounts of "school budgets" for county taxes, due to tardy distribution of state school funds to their counties. This so-called "tardiness" is not due to any fault on the part of the State Superintendent, nor of the county treasurers, nor other state or county officials. It is due to existing laws controlling state and county finances. The fact is that the school law controlling actual distribution of these funds was enacted when state and county taxes were all collected in one amount—in December of each year—when county treasurers made returns to the state treasurer in January following such collections. Then provision was made requiring all county treasurers to pay all state school funds to the state treasurer "on the second Monday of January or May, of each year". The semi-annual payment of taxes delays the receipt of one-half of such funds until the "second Monday in June". The State Superintendent is required to make apportionments under dates of the "second Monday in January and May", notwithstanding the fact that the taxes from which to make such distributions are not yet available in any treasury—state or county—due to above noted changes in tax laws. Thus county boards of supervisors have no record basis upon which to estimate how much revenue will be received from the state, when making estimates for county school taxes. The legislature should smooth out this situation, that no uncertainty be left. Under present conditions, there is in fact a duplication of amounts in county taxes of amounts already provided in state school funds, and to the extent of that duplication, unnecessary amounts are taken from the public and become idle money in the public treasuries.

The laws referred to need to be "re-timed" as respects the dates when certain things be done, that school money raised for the purposes of one fiscal year, be actually available for use in that year, and remove the uncertainties which now exist and doubling of funds as above pointed out.

These amendments should be made, regardless of any action which may be taken respecting other inconsistencies, or defects in the existing laws, some of which defects are considered elsewhere in this Magazine.

1c. Paid
Phoenix, Ariz.
Permit No. 18

ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME FIVE

PHOENIX, ARIZONA, OCTOBER, 1918

NUMBER TEN

A PYRAMID FOR YEAR 1918

Showing the relative values of different classes of property and ratios which each bear to the total taxable property in Arizona, which ratio shows also the proportion of state and county taxes paid by each class.

Telephone and Telegraph Companies—	\$3,212,894.23	— .38%
Banks and Banking Institutions—	\$7,304,852.37	— .87%
Water Works, Street Rys., Gas and Electric Light, Power and Ice Plants—	\$8,110,094.32	— .97%
All Other Property—	\$ 19,867,545.67	— 2.37%
Stocks of Merchandise—	\$ 22,297,475.02	— 2.66%
Live Stock, including Cattle, Sheep, Goats, Horses, etc.—	\$44,041,763.00	— 5.25%
Lands and Improvements—	\$66,551,622.91	— 7.93%
Town Lots and Improvements—	\$77,050,632.55	— 9.19%
Railroads and Railroad Properties—	\$98,541,403.00	—11.75%
Mines (all kinds), Smelters, Concentrators, etc.—	\$591,679,957.15	—58.63%

TOTAL ASSESSED VALUATION—

\$834,020,232.22

EDITORIAL COMMENT

When Legislature Controls Maximum Amounts of Expenditures Taxes Will be Reduced

In the last issue of this Magazine the front page was devoted to a table of figures which was a recapitulation and summary of the financial transactions of this state since statehood. It was published without comment. It was wholly unexplained. The figures there presented tell their own story. Tell it in three chapters, each complete in and of itself. The first chapter tells of constantly increasing taxes, from \$881,750.00 in 1911-1912 to \$3,731,767.41 in 1917-1918. That chapter tells the people of the state that since statehood the burden of taxation for state purposes alone has increased four fold and over.

Expenditures of State Have Equalled Legislative Appropriations Represented by Taxes Levied, Plus all Other Current Revenues

What the figures of that first chapter standing alone did not tell, was the fact that every year since statehood, taxes have been levied for state purposes in amounts and for purposes, that every appropriation made by the legislature has been anticipated by taxation, and provided for in that manner. Aside from estimated receipts into the general fund, added to by taxation, every other fund has been fully provided for by taxation. All other revenues to other funds have been extra to those funds, over and above the amounts appropriated from those funds by legislative enactments. The amount raised by taxation is placed to the credit of a certain institution. The amounts received from other sources of revenue is also placed to the credit of that same fund. The first amount equalled that sum which the legislature had appropriated as necessary for the maintenance of the institution for the year in question—any year at all in the history of statehood—the expenditures for maintenance have in state practice, exhausted the entire funds.

Prison Expenditures Exceed Appropriation by Over \$60,000.00, and all Revenues by a Deficit Created of \$33,456.58

That the foregoing statement may be clear to our readers a concrete case is

used to further explain. Take the State Prison Fund for maintenance. In 1917, a tax was levied to raise the entire amount appropriated for maintenance of that

prison. Out of that tax, there was realized \$94,047.83, which was placed to the credit of Prison Maintenance Fund. Other incomes to an amount of \$12,-

President State Taxpayers' Association and State Senator-Elect From Maricopa County



HON. CHARLES C. GREEN

WE present to our readers a likeness of the Hon. Charles C. Green, who is President of the State Taxpayers' Association, and who will represent Maricopa County as one of its state senators in the Fourth State Legislature. Mr. Green served as representative from that county in the Third Legislature. He has been a resident of Maricopa county for over thirty years, identified himself with its progress during that time as a successful rancher and business man.

936.23 were added to that credit. At the beginning of the year the State Treasurer's books showed a balance of \$21,472.95 in that fund. All these amounts totalled \$128,457.01. During the year warrants to amount of \$127,907.19 were actually paid from the prison maintenance fund. The budget upon which the tax levy for the next year—1918—was levied, contained an item of \$33,456.58, levied to meet a so-called deficit in prison maintenance. All meaning that the management of the state prison had used all the taxes, all the other revenues and had over-expended beyond those two sources of supply, the sum of \$33,456.58. Going back to the legislative appropriation. The legislature said that \$100,000.00 and no more should be expended for maintenance of the State Prison. In the 1917 General Appropriation Bill it also said: "That no deficit shall be created nor shall any warrants be issued, nor any obligations be incurred in excess of the amounts herein appropriated." Yet, in the face of the fact that only \$100,000.00 was appropriated for Prison Maintenance, the prison management actually used \$161,363.77 for maintenance of the prison for the single year.

Other Revenues of State become a means of making possible expenditures in excess of legislative appropriations

The second chapter in the figures published on the front page of the previous issue of this Magazine, is but the connecting link between the first and the third chapters of that entire financial tale. Those figures show why it was possible that the actual expenditures in each year could so far exceed the tax raised funds. From those figures and upon the face of things it would appear that the state funds on hand have always been sufficient to meet all expenditures. But such has not been the case. Among the amounts of receipts from other sources than taxes in each year, there have been amounts derived from sales of state lands. These amounts are distinctly trust funds. These amounts should have been put at interest, that such interest might become available for support of specific state institutions. Might to the extent of the amount of interest earned, lessen the tax burden otherwise necessary to that support. These trust funds should not become a part of general state funds. Should not be held in open balances of such funds, in order that warrants drawn for general state purposes may be paid from

the general balances. Yet it has been due to such use of portions of these trust funds, that state warrants have been paid and not registered for lack of money in the specific funds upon which warrants have been drawn—prison maintenance and other like funds—and some semblance of state credit thus maintained. This use of trust funds has not relieved the state of payment of interest upon registered warrants—unpaid for lack of funds. Every year the state has paid amounts varying from \$15,000.00 to \$25,000.00 as interest upon registered warrants. These payments mean that the average daily overdraft on account of excess warrants drawn, has been from \$250,000.00 to over \$400,000.00. Those interest payments mean that some state officials have so failed in their duty to arrange state affairs, have so exceeded legislative directions as to appropriations to control amounts to be expended, that with taxes, other sources of revenues, and all money on hand in funds, the state has been from \$250,000.00 to \$400,000.00 in debt all the time, and paying interest upon that indebtedness.

Legislature Has Actually Failed to Control State Expenditures, and Permitted State Departments and Institutions to Expend Over \$5,000,000.00 as in Their Discretion Prompted

The last chapter of the figures previously published shows the actual expenditures for state purposes since statehood. Compared with the taxes raised, it shows just how far the state officials have exceeded legislative provisions in the matter of amounts actually expended. **The people of this state have paid \$13,835,939.56 in taxes for support of state since statehood.** The legislature provided that amount for the purpose. **The actual expenditures made during that period have totalled over \$18,927,343.70.** Over five million dollars has been expended beyond amounts appropriated by the various state legislatures.

The fourth chapter of financial history of the state will be written along lines as directed by the Fourth Legislature. What will that legislature do along lines of compulsion? No other word than "compulsion" will fit into a situation where in the face of previous attempts at control of amounts to be expended, an aggregate of over \$5,000,000.00 of excess expenditures appear to have been made since statehood.

Will the legislature go over each and every act which creates a board, commission, and office, and eliminate there-

from every clause which savors of power to expend more than the legislature has appropriated to support that board, that commission, or that office. Or will the Fourth Legislature await the eleventh hour of its session, and attempt in a general appropriation bill to regulate the matter of actual power to expend, and awake after its session is over, and find that officials are again ignoring the legislative directions.

Legislative Amendments Needed, That Appropriations of Legislature are not Exceeded in the Future State Expenditures

This Magazine has often, and has persistently, entreated, suggested, and humbly advised previous legislatures, that the only way in which state expenditures could be kept within the limits of appropriations, is by a repeal of every clause in every act, which reads: "so much as necessary to carry out the purposes of this act shall be paid out of the general fund." To follow up those repeals by appropriations of specific items in the general appropriation bill, fixing as to each and all offices, departments, institutions and commissions in the state, not only the amounts of salaries to be paid, the number of employees, but an amount not to be exceeded for expenses of maintenance. Such legislation would be effective. It would compel officials to do a little figuring upon the subject of resources available, in connection with their proposed future activities. Such legislation would close the doors to practices which amount to unlimited expenditures going to the extent of every dollar available. Would prevent deficits. Would prevent administrative officers from pledging the future credit of the state.

The legislation suggested would mean the adoption by the state legislature of a budget for state finances, and would mean that such budget must not be exceeded.

Legislation along the lines suggested above would mean that the legislature of this state would perform its full duty. That it would so act that the amount of taxes to be raised for state purposes would be an amount, which when added to other sources of state revenues, would provide ample support for state activities.

Legislation along the lines suggested would mean that when the Fourth Legislature has adjourned, the amount of taxes to be raised for the next two years will be a known and fixed amount.

ARIZONA TAXPAYERS' MAGAZINE
OFFICIAL ORGAN OF STATE TAXPAYERS' ASSOCIATION OF ARIZONA

Subscription October, 1918 50 Cents

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Explanation of "Trial Balance" Table

THE TRIAL balance of state finances as published herewith are figures taken from the State Treasurer's report now in the press, and shows transactions completed, so far as the treasurer's books go, for the state fiscal year beginning July first, 1917, and ending June 30, 1918.

The first column shows balances on hand to credit of each fund at the beginning of the year mentioned. From the fact that balances appear in any fund, it does not follow that such fund was solvent at the beginning of the year. There were in fact \$447,792.26 in amount of warrants drawn prior to June 30, 1917, which had not been paid by the treasurer at the time the books of that year were closed, and as closed showed the respective balances in above table. Nor do those balances take into account contracts entered into during the previous years, which created indebtednesses to be ultimately paid from the state treasury.

The column headed "apportionment" (Continued on Page Seven)

TRIAL BALANCE
For Fiscal

FUND	BALANCE July 1, 1917
General Fund	667.9
Agricultural College Fund	
Apiary Inspection Fund	13.
Asylum for Insane, Mtc. Fund	8,061.11
Asylum for Insane, Bldg. Fund	591.76
Asylum for Insane, Farm Fund	
Asylum for Insane, Imp. Fund	5,977.43
Asylum for Insane, Int. Fund	208.13
Asylum for Insane, Sewerage Fund	257.85
Bureau of Mines	1,103.43
Capitol Building, New Bldg. Fund	356.43
Capitol Interest Fund	837.33
County Scholarship Fund	
Date Palm Orchard Fund	1,170.19
Date Palm Orchard and Hort. Station Fund	
Dry Farm Fund	1,214.20
Free Employment Office	
Inheritance Tax Fund	5,000.00
Institutional Land Gr., Sales	16,651.19
Institutional Land Gr., Rentals	55,727.66
Interest Fund	62,671.21
Library Fund	319.05
License and Inspection Fund	43,792.82
Military Fund	27.82
National Forest School and Road Fund	
Northern Arizona Dry Farm Fund	4,753.48
Northern Arizona Normal School, Mtc. Fund	6,960.25
Northern Arizona Normal School, Bldg. Fund	2,283.29
Northern Arizona Normal School, Imp. Fund	7.34
Permanent School, Sales	85,967.22
Permanent School, Rentals	76,452.59
Pioneers' Home, Mtc. Fund	1,640.12
Pioneers' Home, Imp. Fund	1,262.88
Plant Introduction Fund	949.80
Prescott Dry Farm Fund	
Prison, Mtc. Fund	21,472.95
Prison, Imp. Fund	
Prison Power Line Construction Fund	19,943.33
Prison Farm Fund	
Prison Farm Equipment Fund	
Redemption Fund, State of Arizona, 4 1/2 % Bonds	203,103.84
Redemption Fund, St. Louis Exposition Bonds	14,805.61
Redemption Fund, University Bonds	14,805.61
Salt River Valley Experiment Farm Fund	1,818.71
State Fair, Mtc. Fund	11,478.91
State Fair, Improvement Fund	4,880.22
State Game Protection Fund	3,050.31
State Industrial School, Mtc. Fund	1,852.81
State Industrial School, Imp. Fund	1,278.81
State Land Administration Fund	2,103.61
State Land Class. and App. Fund	18,108.85
State Loan Fund	50.
State Road Tax Fund, General	14,105.21
State Road Tax Fund, Counties	45,247.46
State School Fund	199,708.24
State Smelting and Sampling Works	
Sulphur Springs V. D. Farm Fund	758.55
Surface Water Investigating Fund	144.55
Tempe Normal School, Mtc. Fund	12,689.16
Tempe Normal School, Bldg. Fund	2,204.41
Tempe Normal School, Imp. Fund	2,670.01
Tempe Normal School, Grounds Imp. Fund	1,023.01
Transient Herd Tax	37.01
University of Arizona, Mtc. Fund	4,365.02
University of Arizona, Bldg. Fund	
University of Arizona, Imp. Fund	149,102.33
University of Arizona, Central Heat and Power Plant	699.75
University of Arizona, Co-Operative Agri'l Exten. Fund	
University of Arizona, Extension Fund	
University of Arizona, Mining and Engineering Fund	
University of Arizona, Printing Fund	383.08
University of Arizona, Interest, Par. 3663	341.57
University of Arizona, Interest, Act 47-1903	122.24
University of Arizona Farm, Mtc. Fund	
University of Arizona Farm, Imp. Fund	
University of Arizona Timber Account	10,146.05
Unapportioned Taxes	3.96
Underflow Water Investigation Fund	2,106.16
Water Duty Investigation Fund	257.85
Yuma Horticultural Station Fund	83.70

1,149,879.54

STATE OF ARIZONA

REPORT OF STATE FINANCES

for the year ending
July 1, 1917 to June 30, 1918

PROPORTIONMENT	RECEIPTS	TOTAL	EXPENDITURES	BALANCE June 30, 1918
693,194.49	392,250.71	1,086,113.14	897,472.34	188,640.80
	50,000.00	50,000.00	50,000.00	
84,916.99	373.60	386.88	371.88	15.00
6,912.55	16,429.35	109,407.45	109,299.33	108.07
49,354.61		7,504.31	1,939.41	5,564.90
18,625.39	12.50	49,354.61	21,360.97	27,993.64
981.25		24,615.32	21,602.52	3,012.80
		1,189.40	1,125.00	64.40
23,103.89	58.20	257.85		257.85
114,623.73		24,265.52	24,235.48	30.04
4,720.13		114,623.73	7,461.15	107,162.58
64.61		5,076.56	2,700.00	2,376.56
2,580.80		901.94		901.94
2,916.96		3,750.99	3,726.77	24.22
2,989.38	28.50	2,916.96	2,907.53	9.43
2,282.69		4,232.08	4,186.62	45.46
	7,476.80	2,282.69	1,747.17	535.52
	113,048.01	12,476.80	7,476.80	5,000.00
		129,699.20	49,262.00	80,437.20
31,128.71		45,379.13	24,202.61	76,904.20
		71,130.70	125,797.30	39,133.32
		4,031.20	2,139.98	2,210.31
45,708.38		59,034.97	66,480.88	36,346.91
				45,736.20
99.16		81,036.72	81,036.72	
74,015.08		4,952.64		4,852.64
68,471.00	11,955.86	92,931.19	87,805.51	5,125.68
2,964.23	2.95	70,757.24	45,573.30	23,183.94
	3,868.82	6,840.39	4,463.47	2,376.92
	231,318.69	317,285.91	259,480.00	57,805.91
16,945.15	76,320.97	152,773.56	76,452.59	76,320.97
3,708.28	36.57	18,621.84	18,613.94	7.90
2,881.19		4,971.16	1,470.19	3,500.97
3,422.35		3,830.99	3,333.61	497.38
94,047.83	12,936.23	3,422.35	3,119.26	303.09
11,030.23		128,457.01	127,907.19	549.82
		11,030.23	10,345.70	684.53
36,580.94		19,943.33	345.41	19,597.92
9,127.43		36,580.94		36,580.94
23,758.89	33,734.73	9,127.43	645.59	9,127.43
2,359.30		262,597.46		261,951.87
2,359.30		17,164.95		17,164.95
9,343.78		17,164.95		17,164.95
71,467.43	1,328.09	11,162.53	9,591.61	1,570.92
247.89		84,274.50	78,856.16	5,418.34
	20,060.76	5,128.11	5,095.83	32.28
32,723.31	4,490.41	23,111.07	21,392.61	1,718.46
9,142.44		39,036.67	39,036.47	30.20
	9.73	10,421.43	3,769.42	6,652.01
	20,183.50	2,113.33	2,112.33	1.00
215,268.40	360.00	38,292.39	668.45	37,623.94
481,287.66	275,723.89	410.00	391.26	18.74
699,969.80	36,468.74	503,097.50	504,903.60	193.90
949.69	126,633.14	563,093.86	331,320.94	231,682.92
3,515.49		1,026,311.18	801,100.84	225,210.34
2,911.24		949.69	125.40	797.29
		4,274.04	3,236.33	1,037.66
103,268.93	9,231.70	3,055.79	2,984.66	71.13
45,708.38	747.18	125,189.81	125,146.19	43.62
34,388.64	17.00	48,659.97	48,201.64	458.33
2,457.78		37,075.54	37,068.20	7.34
	4,099.40	3,480.85	2,660.83	820.02
140,087.63	21,387.72	4,136.47	3,657.79	478.68
91,230.22		165,840.37	113,236.72	52,603.65
39,817.74	261.74	91,230.22	2,122.76	89,107.46
		189,181.83	186,093.95	3,087.88
4,185.51		699.79	386.01	313.78
5,515.10	39.41	4,185.51	3,716.26	469.25
	131,707.70	5,554.51	5,192.71	361.80
5,561.68		131,707.70	127,980.81	3,726.89
1,178.69		5,944.76	4,153.24	1,791.52
525.27		1,520.26	1,250.00	270.26
10,840.28		647.51	550.00	97.51
2,092.75		10,840.28	10,825.48	14.80
	36,650.00	2,092.75	1,782.83	309.92
	3,452,928.07	46,796.09	44,545.67	2,250.42
2,257.30	13.81	3,452,932.03	3,451,932.03	1,000.00
93.14		4,377.27	2,421.85	1,955.42
21.04		350.99	349.52	1.47
		104.74	66.40	38.34
3,451,932.03	5,354,807.20	9,956,618.77	8,124,042.12	1,832,576.65

Standard Oil Company Attacks "Intangibles Values" as Basis of Values in Taxation

SINCE statehood, the State Tax Commission has considered the question of net earnings of railroads, telephone and telegraph companies and producing mines, in arriving at the assessment values of those properties for taxation purposes. The method pursued has been to arrive at a net earning amount, and treat that amount as a certain per cent of a capital amount which in turn controlled the value finally fixed.

During the past two years the State Tax Commission has extended the principle of net earning value of a business capitalizing that net earning, and using the result as a basis upon which to fix the assessment values, of several other classes of business in the state.

The extent to which that principle is now in use, the classes of property, the percent of net earnings upon which each class of business subject thereto, and upon which the capitalization is made is: Railroads capitalized on a basis of an earning rate of eight per cent; telephone and telegraph companies also eight per cent; banks at twelve and one-half per cent; producing mines and custom smelters each at fifteen per cent; flour mills at fifteen per cent; produce and commission business at twenty-five per cent; moving picture companies at twenty-five per cent; oil companies at twenty-five per cent.

The problem of so-called "capitalization" on basis of net earnings of the business, is worked out by taking the net earning amount in each case, and ascertaining a principal amount, which if invested at the net earning rate applied to the particular business, as per schedule of rates given above, would produce that net earning. It is really no more than the old problem in arithmetic, of having the profit amount, the rate per cent of profit, to find the principal of the investment.

So far as that means of ascertaining

the value of railroad, telegraph and telephone companies, and producing mines and smelters is concerned, only one case has been brought into court attacking it. In a case tried out in the Superior Court of Gila County, the question of assessing intangible values was involved, as one of the issues of the case, and the judgment of that court was in favor of the company. An appeal has been taken to the Supreme Court of the state, and that appeal is still pending for argument and final decision.

The Standard Oil Company filed suit recently in the District Court of the United States, therein complaining that a valuation of its property and business in Arizona, derived from an application of the "net earnings" and capitalization principle is not authorized by the Arizona laws, and that the result will be to take its property without due process of law, will interfere with interstate commerce business, and other claimed constitutional rights.

From the complaint filed by the Standard Oil Company, it appears that it has stations and offices in every county in Arizona, except Apache county. That the aggregate assessed value of its tangible property, real and personal, on the 1918 rolls was \$342,646.00. The State Tax Commission required the company to render a sworn statement of its business for the year 1917, done in Arizona, and from that statement it showed a net earning of \$951,378.82. That statement also showed a total of \$223,729.41, paid for Federal Income Tax for the year. The State Tax Commission deducted the latter amount and used the remainder, \$727,649.41, as the true net earnings of the company from its entire Arizona business for the year 1917.

The manner in which the Commission dealt with that true net income, appears from the contents of a letter by it writ-

ten to the company, as follows:

"Assuming that this class of property should earn 25% net on its assessed valuation, and capitalization the above true net at 25%, the total valuation shown, both tangible and intangible is \$2,910,597.64. Deducting from this figure the total amount of your assessment in the several counties amounting to \$342,646.00, leaves a balance of \$2,567,951.64, the amount of the raise."

It appears from the complaint of the Standard Oil Company in the suit referred to, that this increase of \$2,567,951.64, was apportioned by the Tax Commission to the different rolls of the thirteen counties, added to the value of tangible property prior thereto appearing upon those rolls.

The Standard Oil Company refused to pay the taxes levied upon the basis of assessments so made, except that it tendered an amount equal to the taxes upon its tangible property valued at \$342,646.00, and filed the suit to enjoin collection of any balance thereof.

A motion was made on behalf of the defendants in that suit that it be dismissed and the District Judge granted the motion. The Company has appealed to the Circuit Court of Appeals of the United States.

The question of taxing a business with respect to its real earnings is vital to the scheme of taxation in this state, and the result of the suits above mentioned is awaited with interest by the taxing officers of the state. Just how important that question is will appear by referring to the front page of the present issue of this Magazine, where the value of several of the different classes of property, now assessed upon the basis of net earning values appears. Sixty-five per cent of the entire assessed valuations of the entire tax values upon the rolls of the state is involved in the question.

QUESTIONS AND ANSWERS

Has the Commission of State Institutions any power to exceed the appropriations made by the legislature to institutions under the control of the Commission, and order such excesses paid out of the general funds of the state?

There is no provision of law which

gives the Commission any authority to expend more than the appropriations. The records of the Commission show a deficit did exist in amount of maintenance funds of the State Fair and Industrial School, due to over-expenditure from those funds. With respect to any

deficit in State Fair funds, Paragraph 4542 of Revised Statutes of 1913, expressly prohibits any such deficit being made, in language as follows: "No expenditure shall be made, or indebtedness contracted in any one year in excess of the amount herein appropriated. Any

indebtedness so contracted shall on the the part of the state be void". As to the State Industrial School, there is no "open appropriation" nor any "so much as necessary" provision in the act of its creation. Both of these institutions must keep within amounts actually appropriated for their maintenance.

Is the Secretary of State Fair Commission, entitled to monthly compensation, payable from state fair funds?

The provisions of law regulate that matter and answer the question. Those provisions read (Par. 4537 R. S., 1913): "Fifteen days after the notice of their appointment the persons first appointed

as the Arizona State Fair Commission shall qualify as hereinbefore provided, and shall meet and organize by the election of one of their number as chairman, who shall serve as such chairman for a period of one year and until his successor is elected. The commission shall also at such meeting elect one of their number as secretary and treasurer, who shall qualify, furnishing said commission with a good and sufficient bond in the sum of five thousand dollars, of some surety company to be approved by the State treasurer. Such secretary and treasurer shall hold office for a period of one year and until his successor is

elected and qualified."

(Par. 4540. R. S., 1913.)

"The members of the state fair commission shall be allowed five dollars per day for such time as they actually expend in the transaction of the business of the state fair not to exceed two hundred and fifty dollars per year each, and such compensation shall be paid on vouchers as hereinbefore provided. Said commissioners shall be repaid mileage actually expended while engaged in traveling in the interests of state fair in the manner above provided. No other compensation shall be received by said commissioners for their services."

Explanation of Table

(Continued from Page Four)

in the table contains items showing as to each fund the part of taxes raised for state purposes which was distributed to that fund. The total of \$3,451,932.03 is not the total of taxes levied, only the amount distributed out of the total tax levy for the fiscal year. The column headed "receipts" includes amounts received during that fiscal year from sources other than taxation, and the respective funds to which those receipts were credited. The total of that column—\$5,354,807.20—includes for accuracy in bookkeeping, the item of \$3,452,928.07 taxes received. This last item deducted from the total, leaves \$1,901,875.17, which is the real amount of state revenues from all sources other than taxation for the fiscal year mentioned. Those receipts include revenues which in turn are of two classes. One class which go to credit of permanent funds. The other class wholly available for current expenditure as distinguished from the first, the income from which is the only amount that may be expended for the purposes of the fund.

The column headed "total" shows the entire available cash resources during the year, and the total of that column is of no practical significance to an inquisitive reader who may desire to ascertain the amount of costs of current state administration for the year. The same may be said of the column headed "expenditures". That column includes under its general head, amounts which were in fact not actually expended, but which by transfer become additions to permanent state funds. These permanent funds become the principal which may be loaned by the state, and the interest in turn becomes a revenue to be expended in support of various state institutions. In passing it may be added that the State Treasurer's report shows a total

of these loans—\$609,861.00—for all years.

Apparent Balance Actually Includes Balances in Permanent Trust Funds

The fact that an amount—\$1,832,576.65—appears as a total balance on hand at the close of the year 1917-1918, does not mean that such amount is presently available for current state expenditure nor for maintenance of institutions. That balance again includes amounts in permanent funds which are trust funds not to be expended. To arrive at a true balance which is actually available for a new fiscal year and its necessities, specific items included in that balance must be followed through the table. Furthermore, it must be remembered that an amount \$495,019.21 of warrants were outstanding June 30, 1918, and, short of an actual audit of outstanding contracts, and from that audit ascertaining the actual liabilities incurred for the state, no accurate statement of the real financial situation can be made.

The State Treasurer gives the figures as he has them properly and accurately. The State Auditor does likewise. No criticism upon those departments is intended by this article. There is, however, one link missing from the present system of state finances. A link which if put in place, would enable the public to know from official reports, just the amount of all liabilities incurred, or indebtednesses created, for final payment from the state funds, due to the actual business and actual activities of the state for each year, and for that year distinctly separated from the prior year, and a succeeding one. A link which if supplied would prevent the "pigeon-holing" of accounts until after "June 30" of any year, and thereafter bringing those accounts out for warrants, which throw apparent balances in funds, into deficits in fact.

Commission of State Institutions Fail to Finance Their Report

That the Commission of State Institutions was created for the express purpose of supplying the defect above suggested. No published report of that Commission has been discovered, from which, the real state of finances as to balances, liabilities and indebtednesses to be cared for, may be determined. Column after column of so-called proceedings of that Commission have been published. Those publications are silent as to the real thing involved. They fail to answer the question as to what contracts have been made for the state, the thing contracted for, and the price paid. Primarily a financial department, it might be expected its proceedings when published would disclose the amount of state finances involved in the current work of the Commission. The failure in that regard is absolute. The reason for that failure is immaterial.

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Registered Warrants

The State Treasurer in his annual report for the last fiscal year, speaking of the subject of "registered warrants", says:

"In our report for the fiscal year ending June 30, 1917, we mentioned the need for providing some means to eliminate the necessity for registering State Warrants 'not paid for want of Funds'. Heretofore little trouble was experienced in placing registered warrants with various banks of the state at 5% interest, but on account of the high rate of interest prevailing throughout the country we have found it very difficult this fiscal year to register warrants.

During the period of about two months immediately preceeding the receipt of semi-annual tax collections from the Counties, State Funds are at a very low ebb. The Funds of the State were greatly reduced during the past fiscal year by withdrawals made from Perm-

anent Funds as loans on farm lands as set forth in Statement 16 of this report. During the fiscal year 1918-1919 large withdrawals will be made from the Interest Fund to re-imburse the Counties and Cities for the amounts paid into the State Treasury as interest on their funded debt.

It is imperative that this condition be remedied or the time will arrive when the State Treasurer will be obliged to refuse payment on State Warrants, thereby injuring the credit of the State."

FOREST RESERVE FUNDS FROM UNITED STATES, INCREASE SCHOOL AND ROAD FUNDS

The returns from the Federal Government are in, and an aggregate sum

of \$141,242.44 is added to the money of this state available for schools and roads. These funds are known as Forest Reserve Funds. The source of these funds are from sales of lands made by the government from the public domain in this state, and sales of timber from forest reserves.

Of the amount above, \$48,656.12 becomes part of the state school funds. The balance amounting to \$92,585.32 has already been distributed by the State Auditor to the counties of the state, and will be by the county boards of supervisors divided between the county road funds, and the county school funds, in amounts to each within the discretion of those boards. Yuma county is the only county in the state

which gets no part of these funds.

The amounts as apportioned to the several counties appear as follows:

Apache	\$ 3,734.1
Cochise	2,045.1
Coconino	41,483.9
Gila	7,643.9
Graham	2,129.0
Greenlee	6,319.4
Maricopa	3,599.2
Mohave	48.2
Navajo	3,180.7
Pima	1,631.2
Pinal	1,168.6
Santa Cruz	1,742.8
Yavapai	17,859.6
Total	\$92,586.3

Increased Appropriations for New Activities---Additional Salaries

PROGRESS in the science and arts. Development of new lines in educational theories. General development in all lines of progress. These three general subjects comprise the basis which has called forth new departments in university work. New lines of procedure connected with general education and state educational institutes. New branches of activities connected with state departments already existing. In many cases entirely new departments have been created. All with a legislative intent that Arizona keep abreast of the times, and be an up-to-date state.

When the legislature has increased the amount of an appropriation to any institution that the maintenance fund provided therefor may be sufficient to keep the work of that institution up to the last minute of known progress in the particular line in which and for which that institution was established. Or when the legislature deems it necessary to create an entirely new department, office, or institution with an intended similar result. Then assuming that the legislature has properly weighed the necessities of each. Assuming also that it has considered the incident of increased cost in its relation to other governmental costs, and the result of both upon the taxpaying public, as that result may be considered respecting the condition of the times, the other burdens upon that public, all included in the phrase—ability of the public to pay the cost without hardship—then all this considered, increased appropriations may be warranted for new activities connected

with the administration of public affairs.

During the past six years the figures of every appropriation bill have increased over the figures of the appropriation bill which preceded it. Those increases have been made due to requests of heads of departments, institutions and offices, and with those requests based upon representations from each, with a result that each legislature has been led to believe that increased appropriations for maintenance had to be made that proper and necessary activities of each institution, department and office be properly financed and supported from state funds.

Many cases of extra and increased appropriations appear as having been made pursuant to such requests and representations. In some instances, due to lack of means of more definite information, the legislature acted solely upon the representations made to them which accompanied the requests for increased appropriations. Legislatures have been groping in the dark. No specifically detailed reports have been provided for enlightenment upon the subject of actual needs for appropriations.

In some instances increased appropriations requested on the one hand, and made by the legislature upon the other hand, have in practice as to the applications made of increased funds, or of new funds ostensibly made for new activities, become the means of increasing salaries of persons whose entire time and official energies were already paid for from other state funds. The records of the State Auditor, and the State Treasurer which

show to some extent the actual use made of every appropriation to every fund for every purpose, bring to light the fact that currently with an increase in maintenance funds of some institutions, there appears an increase in the salary of persons already drawing annual salaries from that same institution. Those records also disclose the fact that, notwithstanding offices were provided with clerks, assistants and stenographers, by provision in a general appropriation bill, given an opportunity to charge a new revenue fund to the state, with the incidental and really extra expense thereof, that opportunity has taken the shape of extra, permanent and annual salaried help of the office which has to do some act respecting the new revenues.

Taking the records for the assertion there are plain instances of increased appropriations to institutions which have been used to increase the salaries of officials, and to increase the number of salaried employees, and so used in spite of the fact that the legislature in making appropriations dealing with salaries and numbers of employees in those offices did fix both, and by so doing, did refuse the increases both as to amount of one, and the number of the other.

The scope of this article and the space available in this issue, will not permit giving of specific instances which, if given would illustrate and demonstrate the assertions made above. Those illustrations are forthcoming, and will be made the subject of future articles.

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Phoenix, Ariz.
Permit No. 18

ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME FIVE

PHOENIX, ARIZONA, NOVEMBER, 1918

NUMBER ELEVEN

BUDGETS FOR PUBLIC BUSINESS

Are simply prior announcements by public officials as to the details of what use is intended to be made of public funds, made prior to appropriating any funds for that purpose.

A BUDGET FOR PUBLIC EXPENDITURES

An adopted budget strictly adhered to by public officials gives the people a foundation upon which to know the real financial necessity for funds for each and every required public activity—for all public activities.

PUBLIC BUDGETS ARE SIMPLY GOOD BUSINESS METHODS

EDITORIAL COMMENT

Some Facts Bearing Upon Necessity for State Budget System

THE general fund of the state is the one fund which bears the burden of payment of the costs of administering the state government by the offices and departments which are located at the State Capitol, and in rented rooms in Phoenix, that offices may be maintained for doing of state business at the seat of state government.

That general fund, becomes and is a fund out of which is paid amounts expended by those boards and commissions, having charge of state institutions, buildings and grounds, when expenditures are made in excess of the specific amounts mentioned in the general appropriation bill of the legislature, as being the amounts to be used for maintenance. The only authority for such excess expenditures is the claim of right so to expend, for reason of the "so much as necessary" phrases in various laws, that same phrase so often referred to in the columns of this Magazine, and of which further mention is made in this article.

The Growth of General Fund Since Statehood

That general fund is derived from tax collections, and from other sources of revenue. In 1912-1913, the tax levy rate produced for the purposes of that fund, \$472,682.46. The total expenditures from that fund during that same year were \$519,399.01. The tax levy for year 1918-1919, is intended to produce \$670,081.37. The actual amount of other sources of revenue to that fund—outside of taxes collected for preceding year—was \$354,750.71. The total expenditures from the general fund of that previous year was \$1,033,170.06, which includes warrants actually paid and warrants outstanding and unpaid at the close of the year. Thus it will be seen that actual expenditures from the general fund have nearly doubled in amount since statehood—\$519,399.01 in 1913, and against \$1,033,170.06 in 1917-1918. It will also become apparent from simple computation from above figures that the other sources of revenue to that same general fund increased in amount from \$46,716.55 in 1913, to \$354,750.71 in the year 1917-1918.

Taxes Plus Other Revenues Have Been Expended From all Funds

The general fund of the state is not the only fund which is increased from revenues other than taxation. The state road fund is increased by adding collections of license fees on motor vehicles, amounts appropriated by congress for post roads, and some portions of forest reserve funds. The state common school fund has the benefit of forest reserve funds from the United States. The University, and its several departments, receive appropriations from the United States. To all of which is added rentals upon lands rented from institutional land grants and interest upon the amount of money received from sales of lands from those grants. All added to amounts taxed for maintenance of institutions, schools and roads. All in the main and according to practice in vogue in the state, added to amounts appropriated by the legislature, and become the aggregate expended. The details of all this would be voluminous. The aggregate results are all that may be referred to at this time. That aggregate is represented by the sum of over \$5,300,000.00 which in turn represents the amount actually expended for maintenance and support of state offices and state institutions since statehood, in excess of tax levies, which levies in their turn, have represented amounts sufficient to cover all maintenance expenditures intended by the legislature to be such.

Actual Expenditures One Year Become Basis for Tax Levies of Next Year

Going back into the various years of state finances, an investigation will disclose that the actual expenditures of one year, has become the basis for computations as to amount to be raised and provided for an ensuing year. If there have been deficits created those deficits are added to the amount actually on hand, to produce the amount deemed necessary for the next year's business. In no year have the figures of expenditures been within the limits of the amounts provided in the general appropriation bill enacted by the legislature, and intended to cover all necessary expenditures of the year.

In no year at all have the amounts expended been confined to the amounts raised by taxation for the purposes of that year, in face of the fact that the legislature did in every year appropriate fixed amounts of salaries, and fixed amounts for contingent expenses of the various offices and departments of state supported from the general fund, and did as to each year provide that no more be expended than those amounts so fixed. Also in face of the fact, that levies of taxes for general fund purposes have been based upon figures in the aggregate of amounts so appropriated and intended to become the aggregate amount available for expenditure.

Looking over the appropriation bills of the different legislatures it will be discovered that at the outset, the specific items appropriated to each department were of two classes. One for the salaries of the heads of departments, and for chief assistants, so far as each were mentioned in acts creating the offices and departments. The other class of appropriation was for contingent expenses of each office. In practice, extra clerical help, extra stenographers, traveling expenses, and the like, were left to the discretion of the departments, and for payment out of the amounts appropriated for "contingent expenses."

Legislative Intent as to Expenditures Evaded Under Authority of Open Appropriation Laws

In practice also, and under authority of phrases in various acts creating departments and offices, or defining their powers or duties, such phrases as "so much as may be necessary to carry out the purposes of this act shall be paid out of the general fund," became a means under which the contingent expenses of offices and departments exceeded the specific amounts appropriated in general appropriation bills, with an effect that the actual amounts expended were limited only by the total of the general fund, taxes and other sources of revenues to that fund.

In 1915, the legislature attempted to call a halt in the mode adopted and practiced with the result then apparent, that actual expenditures had no limit except the unlimited discretion of de-

partmental heads, and officers in control of state institutions. In the general appropriation bill of that year each office and each department of state was more specifically provided for. That bill made provision for salaries of heads of departments, for such chief clerks and other assistants as mentioned in acts creating each department, and then went into a list of other help necessary, and finally into the amount of contingent expenses, and made specific appropriations covering those subjects.

The legislature of 1915 went still farther into the matter. It closely examined every law which contained any clause which might be construed to give any office, or any department of state, any seeming power of debt making, or expending state money, beyond the amounts included in the general appropriation bill of that year. Running through the various sections and subdivisions of the general appropriation bill of that year, and intended to control and limit expenditures, were phrases such as: "the state auditor is hereby directed to draw no warrant against the general fund or other fund for any state moneys for the purposes provided for in this subdivision otherwise than is herein directed, the appropriation here made being in lieu of all such statutory appropriations and is not in addition thereto."

The efforts of the legislature of that year were nullified by the veto power of the governor. In forty distinct paragraphs, each a veto in itself, each in effect destroying a manifest intent on the part of the legislature to limit state expenditures within such amounts as the legislature deemed necessary, as against those amounts which departments, offices, and controlling boards (mere creatures of the legislature), might see fit to expend.

The result upon the financial affairs of Arizona, of which the foregoing is simply historical in its recitals of facts tending to produce and permit the actual result, which is that the expenses of state administration are constantly increasing. Increasing beyond legislative ideas of what they should in fact be. Increasing beyond the limits of actual necessities. Increasing to such an extent that taxpayers are diligently searching for a remedy.

With some forty laws upon the statute books, each used by some officer, department, or commission, as an authority to expend as much, and expend for purposes which the mind of that officer seem to be state purposes, it is not to be wondered at, that the bank balances of the state are continually overdrawn. That interest accumulates upon

registered warrants. Nor is it to be wondered at, that the total expended by all, has more than doubled, during the years under statehood.

The legislature is the controlling power of the whole matter. While it speaks in the exercise of that power but once in two years, there is no reason why it may not speak so imperatively, that its will is felt and must be obeyed.

Previous legislatures have been unable to ascertain any definite figures as to the actual cost incident to the necessary activities of state affairs. They have called before it, and its committees on appropriations, heads of institutions, and have attempted to get details, facts and figures. These have not been forthcoming in the past. More often than otherwise, the result has been a successful lobbying for more appropriations, based upon general statements that a **particular department had actually used** so much money, but could not do this, that or the other, as it had no available funds therefor. Evading the real issue as to what necessary use had been made of funds expended, doing so successfully, and painting glowing visions of what might be accomplished with additional funds.

If this Magazine were privileged to suggest remedies, it would suggest means to the end along lines hereinafter pointed out.

Real Purposes for Which Commission of State Institutions Was Created

The Commission of State Institutions was created by the Legislature in 1917, for the intended purpose of providing a means by which future legislatures would have before them details as to matters of finances connected with state departments, institutions, commissions and departments. The most imperative duty of that commission that effect be given to the purpose for which it was created is found in the requirements of Sections 8 and 13, of the act which created it. Those sections cover the proposition of establishing uniform system of bookkeeping, including the keeping of accounts and requisitions, showing the purchase, storage and consumption of supplies for subsistence, construction and other purposes. A system of books and accounting as to each institution, which will show every contract made, every appropriation by the legislature made, receipts from all sources, and every expenditure made for any purpose. With that duty performed by the Commission of State Institutions, so performed that such performance reflects the intent and purpose of the legislature, fairly and fully applied to the law

itself, a start would be made towards enabling the legislature to know from actual facts, figures, and details of records just what financial situation is to be dealt with in future appropriations. Following up a fair application of the intent of the law as to the above referred to, with the annual detailed statements required to be made to the Governor, and so required by the law itself. Making that report a financial report, rather than mere suggestions as to needed further appropriations, then both the executive department, and the legislative department would have access to details, facts and figures, upon which to act and intelligently act, respecting future finances and financial problems.

Unrestricted Official Zeal as Cause of Over-Expenditure of Funds

Full credit may be given where credit may be due to any officer whose zeal in his public work, whose ideas of efficiency therein, and the extent of activity towards the accomplishment of some ideal, may obscure the matter of cost from consideration by that officer. Giving such full credit in all cases where it may have been the cause of constantly increasing costs in maintenance, continuing to permit increases in cost that full development of all activities to the end of material progress of the state may be attained. Doing both, and there is still present, and connected with the financial history of this state, the fact that many expenditures have been made, prompted only by the desire of the officer himself to do something for his personal interest, and to do it under the guise of public work, and to pay for it with public funds. With some forty open appropriations—with an entire absence of any check upon the particular purpose of use to which funds drawn pursuant to those open appropriations—the whole matter is decidedly unbusinesslike, and impracticable. The whole situation has led to increased expenditures properly classed solely and simply as extravagant and unnecessary.

Assuming that the legislature has before it such detailed information as it would have when the provisions of the act creating a Commission of State Institutions have been given their intended effect. Assuming that the governor of the state had that same information before him each year, assuming that he supplement the information so furnished with personal investigation into the details. Assuming that he required, as he might require, further and additional reports from any institution, from which

(Continued on Page Four)

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS' ASSOCIATION OF ARIZONA

Subscription November, 1918 50 Cents

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Address all Communications to the Secretary,
31 West Washington street, Phoenix, Arizona

PYRAMID CORRECTION

In the last issue of this Magazine a typographical error made it appear to our readers that the assessed valuation of mines, smelters, concentrators, and mining properties of all kinds in the state was \$591,679,957.15. The correct figures are \$491,679,957.15.

—O—

SOME FACTS BEARING UPON THE NECESSITY FOR A STATE BUDGET SYSTEM

(Continued from Page Three)

the real needs, the actual necessities of each institution might finally be disclosed. With these assumptions, then in messages to the legislature the governor could intelligently present his views as to the financial needs of each office, commission, and state institution, that each might efficiently perform proper and progressively controlled activities for each intended. With all this done, the legislature would have the means before it of checking up the whole matter, and could then appropriate money which would meet public requirements, would not be expended except for purely public purposes and for public benefit only.

When the legislature finished its work, made its appropriations, then no more would or could be expended, than the amount by it fixed for expenditure. Taxpayers would know their burdens. So far as other revenues than from taxes, accrued to the state, those revenues would be included within, and not used to exceed amount appropriated. As revenues increased, taxes would decrease.

A Budget System as Solution of Question of Keeping Actual Expenditures Within Amounts Intended to be Appropriated

The whole matter of properly controlling the amount of state, county or municipal expenditures resolves itself into a simple form. A budget system. Provide such a system of accounts and accounting that actual requirements represented by actual costs become known fact. Continue that system from one year to another, and changes of amount due to special conditions of any year will become certainties rather than contingencies, with an experience of several years at hand. Let the executive department prepare and suggest a budget to the legislature. Let that legislature adopt it with such changes as it may deem necessary. When that budget has been adopted confine actual expenditures of each year, to the specific amounts in that budget for each specific purpose mentioned—and cover all purposes. Permit no contract to be made, nor any liability to be incurred in one year, which when added to the actual expenditures of that year, will exceed the budget amounts available. Refuse to meet deficits, by making them unlawful in their inception, and not specially appropriate to cover them after made. Require the Commission of State Institutions to perform its duties in such manner that its activities become an accurate check as between appropriations and purposes of same and actual expenditures made or liabilities incurred, confined to those same purposes.

Stamp the will of the legislature into every law pertaining to state finances in such certain language, that there be no mistaking as to the legislative intent to confine expenditures to amounts provided in an appropriation bill adopting a clearly outlined budget of expenditure, and provide a means of checking the whole matter as expenditures are made. The remedy lies within the lines herein suggested. Many of the states have recognized that remedy based upon longer experience than Arizona

has had in the matter of extravagant expenditures in public affairs.

It remains for Arizona to adopt and enforce that remedy if the legislature to control the matter of public cost of the administration of public affairs.

—O—

Questions and Answers

What is meant by the words "open appropriation" as used in connection with power of officers over public money?

When the first state legislature created several new commissions, and prescribed the powers and duties of other departments and institutions, it made use of words "So much as may be necessary to carry out the purpose of the act, is hereby appropriated," followed by a designation of either the general fund, or some special fund, as the fund from which to make payments. If a fund was mentioned from which to pay the practice has been to pay from that general fund. The legislature did not enact general appropriation bills subsequently enacted, state as specific amounts, being for the use and maintenance of those same commissions and departments. In practice it has been the custom to charge against the amount of those specific amounts, the expenses of maintenance of the departments and institutions, and in case the actual operations of the departments required more funds, then to continue to expend under authority assumed to exist and spring from those "so much as necessary, etc. clauses in various acts. To do so, notwithstanding the fact, that the legislatures, after fully reviewing the apparent needs of each department, office and institution, did intend to fix the amount to be expended within and not to exceed the specific amounts mentioned in the general appropriation bills. With the actual amounts which might be needed to carry on state business in the early period of statehood, may have been properly left to the uncertainties incident to new activities of a new state as it was done, later legislatures have attempted to take into consideration amounts actually found necessary for actual use in a proper and necessary maintenance of state institutions, departments and offices, and to limit expenditures accordingly. The amounts specifically mentioned in general appropriation bills, are "specific appropriations" as against the other appropriations mentioned as "open appropriations".

Good Roads as Connected With Legislation For Reconstruction From War Period

THE people of this state must recognize the fact that many truths have been taught by the strain put upon them, in common with all other states, and being truths connected with an attempt to put our resources into channels which would lead with the most directness and most speed, from supply to consumption, and among those truths, some weaknesses may have appeared in old systems and practices, discarded as such, during the war period, and which weaknesses become matters to be considered in connection with any legislation deemed necessary under the general head of reconstruction legislation.

The matter of distributing food supplies. The matter of bringing minerals to transportation lines. The matter of conserving all that was produced either in food, material, or other supplies necessary to human existence. The matter of economy of use. The matter of saving as against spoiling or waste. All these matters had to be dealt with by the United States, acting under the stress of war demands, war necessities, and the necessities of starving people, freezing people, and people suffering from the ravages of war in Europe.

The exigencies above pointed out, were met by the government. In meeting those exigencies, many of the established ways of doing things were simply ignored and discarded. Powers which prior thereto had been deemed distributed powers, not to be exercised except by concerted action of many departments, or sub-departments, were by common consent, centralized. Just how far the wisdom of that course was justified in the results attained, to that extent, a question is presented for consideration of legislators, with after-war reconstruction legislation, in mind. If it has been demonstrated that war means of accomplishing efficient results, were efficient means to that end. If that is true, then some reason exists for legislation which will remodel old systems pertaining to ways and means of accomplishing public activities along those newly proved lines and methods, found to be efficient in fact, when nothing but efficiency in fact would have met the stern necessities of war times.

Some Business Features Connected With State Road Building

One of the most important features of economy and conservation, was that of making available for present and future supply for food, the perishable

fruits, and products of agricultural districts. That feature included so far as possible quick marketing of perishables, and preserving in other ways, such portions as could not be marketed without loss due to perishable qualities of those products. Calmly considered, those same features appear to be and are present at all times. The question of getting from the farm to market, the perishable products of the one to the consumer of the other, has always been a problem. The prosperity of a farming community depends in a large measure upon the proper solution of that question. That question of marketing without loss all perishable products of the ranch and farm, all that the soil will raise with intensive cultivation, is a vital question to every rancher and farmer in the State of Arizona. The prosperity of the farmer in Arizona depends not so much upon how much he can raise—Arizona soil under irrigation, admittedly will yield the limit—but upon the market, the distance to market, the cost of transporting his products to market. His losses if any, are not due to failure of his crop, but to failure to find a market for all those crops.

Just as the war problem was one of speedily getting food to Europe, doing so in the quickest and most efficient manner, confronted the war officers, that same problem at all times confronts the ranchers of Arizona. The consumer's end of that same problem is the cost to him of what he needs and can use of those same products. He is confronted with the question of making his earnings supply his living. If those wages are fixed in amount, the amount of perishable products of the farm which he may use, primarily depends upon its delivered cost to him.

As between the farm product producing portions of Arizona, and the wage-earning portions, that is the consumers portion of products of the farm, anything which tends to reduce the cost of bringing the products of the one to the doors of the other for consumption and use, is of mutual benefit to each.

If the cost of transportation from the farm to the consumer can be reduced, both the farmer who produces, and the miner, the carpenter, the other wage-earners of the state have a mutual interest in bringing about that reduction.

If the matter of time between points of shipment of produce and the destination for final consumption thereof, may

be reduced, all parties are also interested in that reduction.

With a scarcity of railroad facilities between points in Arizona, many of our people look to and for other means of transportation of perishable freights, and think of good connecting highways as the possible solution of the matter of cost of transportation, matter of time saved, and money saved at both ends of the route.

Good roads for commercial purposes is in consequence of the above situation one of the problems which confronts the public in Arizona today.

It may be suggested upon that subject that roads built for that purpose, must be in fact good roads and constructed in such manner as will insure their permanency.

State Roads Constructed With State Funds Under Entire State Supervision and Control

Good roads for those purposes must be constructed and built under control of the state rather than local control. Main line highways to be connecting links between a farming community and a mining or purely industrial community of the state should be in its first construction, and in its maintenance, freed from local influences at either end and along its route. If any such line of highway is intended to be a means of developing the prosperity of the state and warrants the raising of tax money in general taxes spread over the state at large, that such road may be built and maintained, then that road becomes a state institution, and should start with and remain under state control at all times.

At the present time the State Highway Fund amounts to over \$1,200,000.00 per year, including taxes and other revenues to that fund. That fund under present system is so distributed as to be in fact purely local in its use and local in its benefits so far as road construction is actually done with it.

After six years of statehood. Six years of use of a state highway fund, just what highway in this state may be pointed to and properly designated as a "state highway". Our readers will agree with us that no such road exists.

The taxpayers of this state who are paying taxes for state purposes, including therein, taxes for state highway purposes, seem to be entitled to some results—some semblance of a state highway.

(Continued on Page Eight)

The Figures Used as Basis for Tax Levy for 1918 Tax Rolls

AS has been frequently pointed out in articles in this Magazine, that the actual expenditures rather than actual legislative appropriations, have in the past been the basis upon which tax levies for state purposes have been made. That the State Tax Commission determines the rates of taxes to be levied by taking the amounts of special appropriation bills, amounts specifically mentioned in the general appropriation bill for a given year, amounts actually expended for different purposes for a previous year, look into balances of funds, (as those balances appear from books of State Auditor) consider deficits, and then arrive at an amount which when figured with respect to the total assessed valuation of taxable property in the state, as that total is determined from the aggregate of the tax rolls of all the counties in the state, fixes the different tax rates to be levied for the different state purposes.

In connection with this article figures are given from a report made by the State Auditor to the Tax Commission that the latter might be informed on the subject as a starting point in making the tax levy for 1918 rolls.

Those figures show under the general head "General Fund" the salaries and clerk hire amounts, which were specifically provided for by the legislature in the general appropriation bill for that year—1918-1919.

Those figures also show the specific amounts also provided by the legislature in that same general appropriation bill, as maintenance funds for the several offices and departments mentioned under the head "General Fund." In actual use, the amounts appropriated for "maintenance" include amounts paid for salaries of clerks and assistants, additional to those for which specific provision was made. So that in connection with amounts paid out of the general fund as salaries, the "pay-roll" in fact is made up and appears not only from specific appropriations for salary purposes, but from expense and maintenance appropriations, and the entire "pay roll" is shown only when the warrants actually paid from specific salary funds, expense funds, and maintenance funds, are all taken together.

Those figures also show under separate heads, many funds other than the general fund, which are cared for by special tax levies for each. The amounts so raised are in turn, amounts for maintenance, for expenses, and in

some instances, for improvements, additions and the like, as shown generally by the table of figures. These maintenance amounts are used for salaries and expenses of assistants, laborers, and wage-earners, not identified except by reference to warrants drawn for salaries and wages.

In actual practice, investigation shows, that some of the persons are salaried officials, and in fact draw salary from two, and even three maintenance funds.

In actual practice, with several funds under the control of the same common head, maintenance funds provided for the maintenance of one department, became contingent fund and used for other departments.

In actual practice, amounts provided as to be for improvements and upkeep are intermingled with other maintenance funds, or with special new building funds.

The whole matter of state finances is for reason of methods actually applied in expending state money, so involved in such uncertainty, that the actual needs of one distinct office, department, or branch of an institution, cannot be ascertained except by a minute and exhaustive audit of all expenditures actually made, having in mind the specific purpose for which was actually used, and at the same time having in mind the specific purpose for which money was actually appropriated.

If a remedy were to be suggested for the uncertainty of the present system. A remedy which would result in having before a legislature the actual figures from which to determine the actual necessities of the state for which to provide money by legislative appropriations, **that remedy will be a state budget system.** Connected with that budget system a power vested in some office or state department to so act that each proposed warrant will be audited with respect to budget items, and power to refuse to audit any amount which will exceed the budget items. **With power also to control the amount of contracts made, in such manner that debts for payment in the future, will not be contracted in excess of funds in hand, or funds actually made available by act of legislature for the purpose covered by each proposed contract.**

The figures given below present several features which will be of interest to anyone who is really interested in the financial problems of the state.

GENERAL FUND

Name of Appropriation—	Amount	Expense	
ARIZONA CORPORATION COMMISSION:		ARIZONA PIONEERS HISTORICAL SOCIETY	21,000.00
Salary, Members	\$ 9,000.00	ATTORNEY GENERAL'S DEPARTMENT:	1,275.00
Salary, Secretary	2,400.00	Salary Attorney General	1,250.00
Salary, Rate Expert	2,400.00	Salary Attorney General	2,000.00
Salary, Reporter	2,400.00	Salary Assistant Attorney General	2,400.00
Salary Rate Clerk	1,800.00	Salary Law Clerk	1,800.00
Incorporating Department Chief Clerk	1,800.00	Salary Attorney for Arizona Corporation Commission	2,500.00
Four Clerks	4,320.00	Office Expense	1,000.00
Contingent Expenses	15,000.00	Salary Stenographer	1,200.00
ARIZONA HISTORIAN:		Contingent Expense	5,400.00
Salary, Historian	2,400.00	AUDITOR'S DEPARTMENT:	
Clerks, Office and Traveling expenses obtaining data and printing additional volumes	5,000.00	Salary, Auditor	3,000.00
ARIZONA AGRICULTURAL AND HORTICULTURAL COMMISSION:		Salary, Deputy	2,400.00
		Salary, Bookkeeper	1,800.00

Salary 2 Warrant Registrars	2,400.00	Salary and Traveling expense, Deputy	1,500.00
Salary, Stenographer	1,200.00	Salary, Stenographer	900.00
Contingent Expense	2,000.00	STATE GAME WARDEN:	
Salary, Bank Examiner	2,400.00	Salary, Director	1,800.00
Office expense, Banking Department	500.00	General Expense	2,700.00
Traveling expenses, Bank Examiner	2,250.00	STATE LAND DEPARTMENT:	
BOARD OF BAR EXAMINERS, Expense	250.00	Selections	35,000.00
BOARD OF BAR EXAMINERS, Expense	500.00*	Administration	35,000.00
BOARD OF DENTAL EXAMINERS:		STATE MINE INSPECTOR:	
Per diem, expense and supplies	1,000.00	Salary, Inspector	3,000.00
BOARD OF PARDONS AND PAROLES	1,000.00*	Salary, 3 Deputies	5,400.00
CAPITOL BUILDING AND GROUNDS	125,000.00*	Office expense	1,400.00
COMMISSION OF STATE INSTITUTIONS:		Traveling expenses, Inspector & Deputies	5,600.00
Salary, Members	9,000.00	STATE TAX COMMISSION:	
Salary, Secretary	2,400.00	Salary, Commissioners	9,000.00
General Expense	71,567.00*	Salary, Secretary	2,400.00
COUNTY SCHOLARSHIP	2,100.00	Salary Clerk, All other help	3,600.00*
COURT COMMISSIONERS	100.00	Contingent Expense	3,500.00*
EDUCATION OF DEAF AND DUMB	15,000.00	Board of Equalization	1,200.00*
EDUCATION OF BLIND	1,000.00*	STATE TREASURER'S DEPARTMENT:	
GOVERNOR'S DEPARTMENT:		Salary, Treasurer	3,000.00
Salary, Governor	2,000.00	Salary, Deputy	2,400.00
Salary, Governor	3,250.00	Salary, Stenographer	1,200.00
Salary Secretary to Governor	3,000.00	Office Expense	500.00
Clerical Assistance	5,000.00	STATE VETERINARIAN:	
Contingent Expense	4,000.00	Salary	1,800.00
Expense Attending Annual Conference	150.00	Office Expense	1,500.00
Publication of Proclamations	1,000.00	Contingent Expense	1,250.00
Rewards for Escaped Convicts and Criminals	1,000.00*	Mileage	1,000.00
HIGH SCHOOLS AND NORMALS:		SUPERINTENDENT OF PUBLIC HEALTH:	
Vocational Pursuits	60,000.00*	Salary, Superintendent	1,000.00
INSPECTOR OF WEIGHTS AND MEASURES:		Salary, Registrar of Vital Statistics	1,000.00
Salary, Inspector	2,000.00	Expense	3,000.00
Salary, Clerk	1,200.00	Mileage	1,800.00
Office and Traveling Expenses	1,500.00	SUPERIOR COURT JUDGES, Salaries	12,875.00
LAW AND LEGISLATIVE REFERENCE LIBRARIAN:		SUPERIOR COURT JUDGES, Salaries	13,700.00
Salary, Librarian	2,400.00	SUPREME COURT:	
Clerical Assistance	1,200.00	Salaries, Judges	15,000.00
FIVE STOCK SANITARY BOARD:		Salaries, Clerks	2,700.00
Salary, Secretary	2,400.00	Salaries, Reporters	1,200.00
Salary, Brand Clerk	1,500.00	Salaries, Stenographers	3,600.00
Salary, Recording Clerk	1,200.00	Contingent Expense	1,000.00
Salary, Bookkeeper	1,200.00	VOCATIONAL EDUCATION	20,000.00*
Office and Traveling Expense	2,000.00	NORTHERN ARIZONA FAIR	5,000.00
Per Diem and Mileage of Members	1,000.00	COUNTY FAIR ASSISTANCE	10,000.00*
INDIAN COMMISSION, Expense	500.00*	NORMAL AND HIGH SCHOOL CADET COMMISSION	
INDIANS TO COUNTIES	30,000.00*	INTEREST ON REGISTERED WARRANTS	15,000.00*
NATIONAL GUARD OF ARIZONA	50,000.00*	INTEREST ON ST. LOUIS EXPOSITION BONDS	1,500.00
PREMIUM OF BONDS OF STATE OFFICIALS	530.00*	DEFICITS ON VARIOUS FUNDS PAID OUT OF GENERAL	
PRINTING AND PUBLISHING OPINIONS OF SUPREME COURT	750.00	FUND FISCAL YEAR ENDING JUNE 30, 1918.	
PRINTING AND PUBLISHING REPORTS OF STATE OFFICIALS	8,500.00*	ASYLUM FOR THE INSANE,	
SECRETARY OF STATE DEPARTMENT:		Maintenance	\$ 6,149.16
Salary, Secretary	3,500.00	EDUCATION OF THE DEAF AND DUMB	1,573.35
Salary, Assistant Secretary	2,400.00	PRISON, Maintenance	33,456.74
Salary, 2 Stenographers	2,400.00	STATE FAIR, Maintenance	9,094.74
Initiative and Referendum	7,000.00	STATE INDUSTRIAL SCHOOL	26,104.76
Contingent Expense and Printing Constitutions	2,500.00		76,378.59
Motor Vehicles License Expense	7,500.00	APPROPRIATIONS MADE BY FIRST S. S., 1918	
Motor Vehicle License Salary, Stenographer	1,200.00	CHAP. 1	24,908.80
SHEEP SANITARY COMMISSION	4,500.00	CHAP. 5	17,500.00
STATE ENGINEER:		CHAP. 7, Sec. 11	51,500.00
Salary	3,000.00	CHAP. 7, Sec. 12	3,000.00
Traveling Expense	2,500.00	CHAP. 8, Sec. 19	10,000.00
STATE EXAMINER:		CHAP. 10, Sec. 2	25,000.00
Salary	2,500.00		131,908.80
Office and Traveling expense	1,600.00		

(Continued on Page Eight)

ITEMS OMITTED OR UNDERESTIMATED 1917 LEVY

EDUCATION OF THE BLIND	641.66	
REWARDS FOR ESCAPED CRIMINALS	3,000.00	
HIGH SCHOOLS AND NORMALS, STATE AID FOR VOCATIONAL PURSUITS	4,715.25	
LOANS TO COUNTIES, FOR BRIDGE CONSTRUCTION	7,500.00	
SUPERINTENDENT PUBLIC HEALTH Mileage and Traveling Expenses	769.19	
STATE TAX COMMISSION, Contingent Expense	430.53	
VOCATIONAL EDUCATION	2,209.04	19,265.67

MISCELLANEOUS AMOUNTS

Name of Fund—	Amount
ASYLUM FOR THE INSANE, Maintenance	\$90,000.00
ASYLUM FOR THE INSANE, Building	7,500.00
ASYLUM FOR THE INSANE, Improvement	10,000.00
BUREAU OF MINES	25,000.00
DATE PALM ORCHARD	2,650.00
DATE PALM ORCHARD AND HORTICULTUR- AL STATION	3,137.50
DRY FARMING	3,000.00
FREE EMPLOYMENT OFFICE	2,500.00
MILITARY FUND:	
Erecting Armories	30,000.00
NORTHERN ARIZONA NORMAL SCHOOL, Maintenance	79,500.00
NORTHERN ARIZONA NORMAL SCHOOL, Improvement	2,500.00
PIONEERS' HOME FUND	18,000.00
PIONEERS' HOME, Improvement	1,000.00
PLANT INTRODUCTION FUND	3,000.00
PRESCOTT DRY FARM FUND	3,690.00
STATE PRISON, Maintenance	100,000.00
STATE PRISON, Improvement	12,000.00
STATE FAIR, Maintenance and Improvement	10,000.00
Am't equal to receipts, year ending June 30, Maintenance	34,247.45 15,000.0
STATE INDUSTRIAL SCHOOL, Maintenance	35,000.00
STATE INDUSTRIAL SCHOOL, Improvement	10,000.00
STATE COMMON SCHOOL FUND (Includes)	500,000.00
Salary Superintendent	
Salary Assistant Superintendent	
Additional Assistants	
Office Expense	
Traveling Expense	

Apportionment of School Fund to Counties	
Pension for Retired Teachers	500,000.00
Free Text Books	
Expenses, Board of Education	
Salary and Expense, Board of Examiners	
Salary, Special Examiners	
National Education Association	
Blind Children Under School Age	2,500.00
STATE COMMON SCHOOL FUND (Add'l Laws 1917)	250,000.00
STATE ROAD TAX FUND	834,000.00
STATE ROAD TAX FUND, Prison	60,000.00
SALT RIVER VALLEY EXPERIMENTAL FARM	10,000.00
SULPHUR SPRINGS VALLEY DRY FARM	3,700.00
SURFACE WATER INVESTIGATION FUND	3,000.00
TEMPE NORMAL SCHOOL MAINTENANCE FUND	110,000.00
TEMPE NORMAL SCHOOL IMPROVEMENT	12,500.00
TEMPE NORMAL SCHOOL GROUND IM- PROVEMENT	2,500.00
UNIVERSITY OF ARIZONA, Maintenance	149,597.50
UNIVERSITY OF ARIZONA, Improvement	40,000.00
UNIVERSITY OF ARIZONA, Printing	6,000.00
UNIVERSITY FARM MAINTENANCE FUND	11,850.00
UNIVERSITY FARM FUND, Improvement	2,300.00
CO-OPERATIVE AGRICULTURAL EXTENSION FUND	6,004.15
EXTENSION FUND FOR UNIVERSITY OF ARI- ZONA	6,000.00
UNDERFLOW WATER INVESTIGATION FUND	2,400.00
ASYLUM FOR THE INSANE, INTEREST	1,000.00
CAPITOL BUILDING, INTEREST	5,000.00
INTEREST FUND, Interest on State Funded In- debtedness	32,938.70
UNIVERSITY OF ARIZONA, Interest	1,250.00
UNIVERSITY OF ARIZONA, Interest	550.00
REDEMPTION FUND, STATE FUNDED DEBT	25,958.90
REDEMPTION FUND, ST. LOUIS EXPOSITION BONDS	2,500.00
REDEMPTION FUND, UNIVERSITY OF ARI- ZONA	2,500.00
Total	\$2,581,774.26
SUB-TOTALS FORWARD—	
General Fund Total	1,033,170.00
Other Special Funds	2,581,774.2
TOTAL ESTIMATED EXPENDITURES	\$3,614,944.3

*—Estimated amounts.

**GOOD ROADS AS CONNECTED WITH
LEGISLATION FOR RECONSTRUCTION
FROM WAR PERIOD.**

Continued from Page Five
way built out of state highway taxes—
those results are thus far wanting.

**Complete One Commercial Road Line
at a Time**

With a fund in the state treasury amounting to \$1,200,000.00 yearly, constantly increasing in size with each year of increase in valuation of property for state taxation, sufficient funds are provided, and which if applied towards a single connecting line of what would be a commercial highway would show

results each year. Then with each year's activities, a complete step towards development and progress would be, and could be taken and completed, and so completed with funds available.

Just how far those funds, now available would go into actual construction of permanent highways, would of course depend upon the efficiency of state officials handling the matter, their economy in expenditures, as compared with lack thereof.

If war reconstruction depends upon better commercial highways, it may be said of Arizona, provision has already been made for funds—at least \$1,200,-

000.00 per year—if any legislation is needed, it is legislation which will so direct and control those funds, that the same be actually expended for state road purposes, in the construction of roads under state supervision and control, under established rules of law embodying ideas of economy, as well as some system or scheme as to what particular lines of highway will be constructed, that some complete line may be constructed, rather than patches of highway, here and there in the state with nothing completed to the end of the commercial features involved in the question of road building.

1c. Paid
Phoenix, Ariz.
Permit No. 18

ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME FIVE

PHOENIX, ARIZONA, DECEMBER, 1918

NUMBER TWELVE

To Stop Overdrafts, To Stop Incurring of Liabilities Beyond Appropriations; to Aid any Budget Law, and Confine Expenditures to Purposes Named in Appropriation Measures

An Amendment of Paragraph 100 of Revised Statutes is suggested:

"No sum of money or moneys in excess of the amount specifically appropriated for any purpose, shall be credited to any fund, which credits shall be, first: amounts of revenues to any purpose other than from taxation; second: amounts raised by taxation sufficient with other revenues to equal that specific appropriation, and no sum of money shall be paid out of any fund, nor any warrant drawn upon any fund, nor any liability created for any purpose, in any fiscal year, the aggregate of which warrants drawn and liabilities incurred, shall exceed the specific appropriation of that fiscal year made for each purpose for which warrants may be drawn and paid when money is in the treasury to the credit of that fund and purpose."

EDITORIAL COMMENT

First Annual Report of the Commission of State Institutions

PURSUANT to provisions of law creating the Commission of State Institutions, the Commission is required to prepare annually a **detailed statement of the cost of maintaining each institution under its control** and to furnish the Governor with a complete report of the condition and work of each institution, **showing in detail every financial transaction** and including the dates of official visits paid by each Commissioner to each institution.

Just how far such reports should go into details as to financial matters pertaining to the cost of maintaining each institution under its control, may be fairly ascertained by looking to the essential intent of the Legislature when it created the Commission and defined its powers and duties. Considering in that same connection the fact that the State had no real auditing department prior to the creation of this Commission, **in the sense of using the word "audit" to mean check, control, or confine, expenditures within appropriations, and within the actual purpose and objects for which definite appropriations were made by the Legislature.** Then having in mind the purpose of the Legislature, as that purpose was reflected in the words used in the act creating the Commission of State Institutions, a plain and true interpretation of the words:—

"The Commission shall prescribe a uniform system of records and accounts for all institutions under its control * * * It shall establish a uniform system of bookkeeping, so far as practicable, in similar institutions, and shall institute and require the keeping of a system of accounts and requisitions, **SHOWING THE PURCHASE, STORAGE AND CONSUMPTION OF SUPPLIES FOR SUBSISTENCE, CONSTRUCTION AND OTHER PURPOSES. IT SHALL KEEP IN ITS OFFICE IN PHOENIX, A COMPLETE SET OF BOOKS AND ACCOUNTS, WITH EACH INSTITUTION, WHICH SHALL SHOW EVERY CONTRACT MADE, EVERY APPROPRIATION BY THE LEGISLATURE FOR THE SUPPORT OF EACH INSTITUTION, RECEIPTS FROM ALL SOURCES, AND EVERY EXPENDITURE MADE FOR ANY PURCHASE.**"

The Legislature assuming of course that with above required information at hand, with every expenditure for any purpose, detailed, itemized, and checked against amounts appropriated for each and every institution, the Commission in its annual reports could and surely would "detail the cost of maintaining each institution," in such manner that it would have before the Governor, and before the Legislature itself, the same detailed accurate, and specific information as to use of funds, as the Commission itself was assumed to prepare, keep, and preserve in public records in its office.

The intent and purpose of creating the Commission was that the public might know just where its money went, just how much it actually cost to maintain each state institution. That the public might know that money appropriated for a given purpose was actually used for that purpose, and not used for some other purpose. That the public might have this detailed information, in order that it might have some basis to inform itself as to the necessities in each case for which money was appropriated, or determine for itself the real cost of each activity it was called upon to support. All embodied in a simple intent and purpose to determine the ultimate question as to whether constantly increasing amounts in the aggregate of public expenditures in this state, was or is, an increase due to actual necessities, actually required expenditures, expenditures required to be made through an efficient use of money coupled with real purposes of economy in that use, all that necessary activities of the state be carried on to the end of healthy and sure progress in the development of real government for the public itself. Or that the public might learn for itself, whether the increased cost has arisen from other causes than in the support of necessary public activities, efficiently conducted, and economically administered.

So much for the real purposes and objects to be accomplished in the annual reports of the Commission of State Institutions. So much as an introduction to a review of the first annual report itself.

Foreword of the Report—A Veile Apology for the Commission.

The retiring Governor of Arizona writes a foreword as a preface to this report itself, in it the language:—

"In reviewing the year's work, the difficulties that had to be surmounted should not be overlooked. The Commission of State Institutions, but recently inaugurated, had, because of rapid political changes, never had an opportunity to efficiently organize. Under the head of "Complete Balance Sheet for the State of Arizona," appears this language:

"The trial balance of the appropriation ledger, which given to the Commissioners each month shows the unexpected balance, the encumbrance against funds, the unencumbered balances. * * * **If it were possible to obtain the co-operation of all the departments of the State government it would be a very simple matter with the form of books used by your Commission for the State auditor to render a complete monthly sheet of financial statement for the State of Arizona so that the citizens of the State would have this important business information.**"

Just wherein the Commission lacks power to compel the necessary information at least as to those institutions over which it has control, is not easily apparent. In those instances at least, it is the particular business of the Commission to require those institutions to do the very thing, which the above language says is impossible to be done except by "co-operation." Reading the entire report, with the reports of the various institutions which it embodies within its two hundred pages, a reader will find many instances of failure to report at all upon the actual expenditures of the past year. A reader will fail to find any such detailed report of last year's business, as contemplated by the act creating the Commission. A reader might well reflect, that when from lack of proper co-operation by heads of institutions, financial details were not forthcoming so that the public would be enlightened as to where their money went, then a little **compulsory co-operation** might have been a remedy,

and might have produced an annual report of the Commission itself, which was at least once a year, a balance sheet of the year's business, both in completeness, accuracy and in detail.

The Arizona Pioneer's Historical Society makes no report as to last year's expenditures, but prepares a budget asking more money for next year.

The State Fair Commission accounts in a general way for its disbursements. But little light is given as to the actual use of the money expended under head of "office and General Expenses." It is the opinion of the Secretary "that the Arizona State Fair can be self-supporting, provided the legislature will make a sufficient appropriation." And asks for \$150,000.00 as an appropriation for the next two years. This would be an appropriation of \$75,000.00 for each year, as against \$10,000.00 per year appropriated in 1917 appropriation bill for maintenance, plus \$6,000.00 appropriated for deficit. It is also suggested that additional appropriations be made for buildings to cost \$30,000.00, and for rebuilding stables destroyed by fire, \$12,000.00.

Arizona State Hospital for the Insane

The report for this institution is made to conform to 1913 Civil Code. It states that with an appropriation of only \$90,000.00, for past year, over \$112,453.51 was expended. A statement which cannot be reconciled with the summary of expenditures on page 51 of the report, which is quoted below:

	7/1/17 to 12/31/17	1/1/17 to 6/30/18
Kind of Exp.	\$17,153.54	\$25,784.91
Pay Roll	12,066.98	20,661.52
Food	14,912.25	23,028.52
General Supplies	629.99	752.49
Misc. Expense	2,928.22	10,580.48
St., Ht. & Power		
TOTALS	\$47,690.98	\$80,807.92

These figures show over \$8,600.00 increased pay roll for last six months of the year. Over \$8,600.00 increase in food supplies; over \$8,116.00 increase in general supplies; over \$7,652.00 increased cost of heat, light and power, each an increase during the last six months of the year, as compared with the first six months' period of that year.

The totals of all expenditures for the year were \$128,498.90, an excess of \$38,498.90 over the maintenance appropriation of \$90,000.00. An appropriation of \$112,450.00 is requested for the coming year.

As to the farming operations the report states: "I am sorry I am not able to make a detailed report of the farm.

However, as part of this year's crop is not harvested or in a marketable condition I cannot do so, but with the increase in our dairy herd and the farm produce it is safe to say that the income to the hospital will show the wisdom in the purchase of the farm land."

Included in the figures of inventory of state assets, the property of the Asylum is listed at a value of \$458,597.61. Of which total the value of asylum farms is placed at \$91,316; farm buildings and houses, \$7,650.00; farm equipment, machinery, furniture and live stock, at \$98,159.65. Over two-fifths of the total investment of the state for asylum purposes, is in the farming business of that institution. The general appropriation bills for several years show a specific appropriation of one \$54,000.00 for asylum farm. Each year the appropriation for asylum purposes has been exhausted, additional funds drawn under the "so much as may be necessary powers," and the result is, that out of money originally appropriated as for maintenance of the asylum, or specifically for certain buildings, or for certain named improvements, \$147,000.00 has actually been used and diverted to farming purposes, without any legislative sanction whatever.

Just such evasions as above mentioned, explains clearly, why a budget system is necessary for state business, and why an auditing power is required that institutions be kept within the budget amounts.

State Industrial School

The 1917 legislature appropriated \$35,000.00 per year for maintenance of that institution. This institution presents a proposed budget including \$43,340.00 for salaried employees, general expense, \$4,650.00; subsistence, clothing, shoes, etc., \$19,500.00; office expense, \$1,500.00; miscellaneous general expenses, \$5,000.00, a total request for \$73,990.00 per year for maintenance purposes alone. Also requests a total of \$56,000.00 for "capital outlays," making a total request for the next two years of over \$203,980.00. The amount asked for salaries, does not seem to include guards, nor common laborers, farmers and the like. The net charges to maintenance of that institution for last year were \$52,112.35, over \$27,000.00 in excess of appropriation.

State Prison Report

With 337 men accounted for June 30, 1917, at a gross maintenance cost of \$99,104.24, a per capita cost of \$264.00

per year appears for that year as against 291 men accounted for June 30, 1918, at a gross maintenance cost of \$155,836.23 with a consequent per capita cost of \$534.00 per man per year. A more than double cost per man. Farming operations produced 275 sacks of barley. In settlement of earnings and receipts appears an item of "Hogs sold \$1,186.46" and "barley sold \$78.75." If more was realized it is not detailed in the aggregate of \$10,670.19 of stated receipts; an aggregate composed of items: "Merchandise sold \$3,419.86," "Board collected of employes \$3,419.86," (approximately \$11.20 each per month for guard and employes' mess table), and the balance represented by miscellaneous items of refunds, returns and "junk" sold.

Prior to 1917, the prison management had leased several tracts of land on their own volition. In 1917 the legislature appropriated \$40,000.00 for purchase of prison farm land, and \$10,000.00 for machinery and equipment. The Inventory (page 35 of report) shows "Prison farms (627 1-4 acres \$36,500.00) does not show the sum of \$500.00 paid on a lease option for another tract. That inventory shows an item, "Live stock, machinery, equipment, furniture and other supplies, \$53,236.34." Lacking details, it is impossible to state how much of that \$53,236.34 is actually represented in farm equipment, stock and machinery. Nor is it possible to state how much in that item covers portions of the difference between the \$10,000.00 appropriated for prison and farm maintenance and equipment by the 1917 Legislature, and the \$155,836.23 actually accounted for as expended during year covered by report. Again details are lacking in financial report of the prison maintenance, notwithstanding the Commission of State Institution law positively requiring details.

Nowhere is any reference made to the \$60,000.00 appropriated into state road fund for purpose of defraying some portions of cost of supporting prisoners engaged in road work; except such as may be inferentially gathered from the prison statement showing 104 men in road camps, 172 men in Florence, and 15 on honor, out of 291 prisoners in total accounted for June 30, 1918.

There are no details showing how much of an aggregate item—"Wages \$39,148.28," nor details showing how much of an aggregate item—"Lights, heat and water \$12,241.65, is actually farm expense.

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS' ASSOCIATION OF ARIZONA

Subscription December, 1918 50 Cents

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First Annual Report Commission of State Institutions

(Continued from Page Three)

With an inventoried value of \$89,736.84 in farm investment, with no details as to farm operation costs and expenses; with \$1,247.21 detailed as farm revenues and returns, appears also the wardens' language in the report (page 87) as follows:

"The new prison farm is a step in the right direction and while the appropriation for this purpose is small, it will go a long way in helping to convince the Legislature to come, that the inmates, if given a chance by means of a farm of sufficient size, can be made to sustain themselves, thereby relieving the taxpayers of an ever-increasing annual burden of some \$125,000.00."

The request for an appropriation is based on an estimated daily average of prisoners 400, as against not to exceed the actual daily average of 321 during two years. The amount requested is \$146,400.00 for each year of the coming biennial period, \$292,400.00.

Capitol Building and Grounds

No details as to actual expenditures appear in the report of the custodian. His request is for \$30,000.00 per year for operation and maintenance of the building and grounds. Also asks for a total of \$29,000.00 for improvements, including a sprinkling system \$6,000.00; greenhouse and heating plant for same, \$4,000.00; freight elevator in capitol, \$4,000.00; new heating plant in capitol, \$5,000.00. These requests may be compared with an item of \$125,000.00 actually levied upon tax rolls of 1918, for same purposes as above, so as the real purpose in getting the \$125,000.00 appears, leaving uncertainty of purpose of intended use of the \$66,000.00 difference between apparent needs and funds actually raised.

Highways

The report includes a very comprehensive report from state engineer's office, showing distribution of state highway funds for two years. This same department has a special report now in course of printing for publication which, when it appears, will be made the subject of a special article in this magazine.

The report shows an item of \$12,254.71 as prisoner maintenance for past year, an item to be considered in connection with actual cost of keeping prisoners as appear in prison maintenance fund expenditures.

It also appears that the Department of Agriculture has apportioned \$379,133.79 as the Federal aid fund available for Arizona for use to June 30, 1919. The Phoenix-Tempe highway will receive \$38,600.00; from Federal aid no mention is made as to actual disposition to be made of remainder.

Pioneer's Home

From an institution which considered in the light maintenance cost is the least of all the institutions of Arizona, and which considered in the light of the duty of the public to its pioneers who made a greater Arizona possible it may be the most worthy object of state support, comes a report which stands alone in its real intended purpose of giving the public real light as to actual conditions at the Home, and an actual semblance of detail as to real costs of maintenance. The report may well be read and compared with other reports from other institutions with profit to the reader even though that reader may be the head of some other institution.

Northern Arizona Normal School

It cost \$121,920.11 for maintenance

of this institution for last year as against an appropriation of \$79,500.00 made for the purpose.

Out of an appropriation of \$75,000.00 for building \$44,163.84 was expended during past year. Just how near completed is the building—a wing to main building—does not appear from the report. Out of the amount expended from building fund appear items of \$2,276.30 for salaries; \$307.15, travel and auto expense; \$20,497.19, labor; \$13,223.75, materials; \$925.00, Buick automobile, are detailed.

Tempe Normal School

The first item appearing in the requisition for appropriations for this school is the one, "Special relief appropriation," for the maintenance fund of the present year, 1918-1919—\$24,000.00, explained by stating that this amount was transferred to building funds for heating plant and Boys' Dormitory that same might be completed. In other words, without legislative sanction, appropriations by it made were increased by \$24,000.00, and the money raised for one purpose actually expended for another. The maintenance expenditures of that school as reported amount to a total of \$117,538.02 as against an appropriation made of \$110,000.00. Excess of expenditures beyond appropriations thus amount to \$31,538.02 for the year.

University of Arizona

Under this heading is included, different departments collectively under control and direction of Board of Regents, which are the University proper; Arizona Bureau of Mines; Deaf and Dumb School and building; Underflow Water Investigation; Dry Farm Supervision; Prescott Dry Farm; Tempe Date Orchard; Yuma Valley Orchard, and Horticultural Station; Salt River Valley Farm; University of Arizona Farm; University of Arizona Extension Service; State Smith-Lever, and General buildings. Each of these heads have received special appropriations for maintenance, for property, buildings and improvements. As to expenditures made from these several funds, each carry items referred to as salary, wages and expenses. No details as to either. And from the report made it is impossible to figure out the separate salary, wage and expense account under each fund. Nor is it possible to separate from charges as expenditures from these funds amounts of items in fact drawn, transferred and used as contingent funds, for salaries, wages and expenses

directly connected with similar general items appearing under head of University Maintenance. The funds are intermingled in actual use, and a proper segregation will show that apparent salaries, wages and expenses appearing as such from University Maintenance fund, is much less than the actual amount used and made available for use by that intermingling.

If the appropriation account of every fund was "detailed" as to purpose and amount of each expenditure, no such intermingling would be possible and the actual cost of each departmental activity of the whole University work would be known.

Whole Report Lacking in Essential Details

It would be a matter of actual enlightenment to the public if instead of including such general items as "wages," "salaries," "office expenses" a what is required to be a detailed report, some details be given as to the number of persons who drew those salaries, wages, and made those expenses. Further light would be given if some information appeared as to the particular duties of each salary and wage earner, with such details as to numbers of each with respect to per capita of institutional attendance, or averages by actual daily averages, that per capita cost on account of persons so salaried might appear. Information with details along above and kindred lines might be more satisfactory to the general public than is such satisfaction as follows aggregate general items under special general heads, all added together to make the funds balance, with

the state auditor's books or the state treasury, regardless of whether the balance is in "red" for deficit and overdraft, or in "black" as a remaining unexpended amount.

There is no attempt to detail as to how much various funds, or various projects under way have been encumbered by contracts made, supplies and materials ordered and in transit, i. e., liabilities incurred but not audited nor paid, but which materially affect the question of amounts for which future appropriations may be required.

The report does show that amounts appropriated for building and improvement purposes have not entered into the cost plans of buildings. More expensive buildings have been planned, construction thereof started, many deficits already appear, more deficits will undoubtedly appear. All in reliance upon the possibility that the Fourth Legislature will come to the rescue and appropriate money enough to pull out of the financial hole into which administrative officers have actually placed themselves with respect to building funds and maintenance funds.

The whole situation is one showing an absence of any prior plans, to the end that expenditures might be kept within amounts appropriated, with an actual "spend as you go" and let the funds take care of themselves either in balances or deficits, aspect of state finances which is not business.

The course actually pursued may be technically within the law as construed under the various "So much as necessary" clauses scattered in the Code, and that course is entirely consistent with those policies which in six years have resulted in quadrupling the cost

of state government and increased total of taxes three fold. But such a course is not consistent with good public business methods. It speaks for neither efficiency nor economy, it tends towards actual extravagance even if actual extravagance may not actually appear in the results.

This article is addressed to the business side of every institution in the state. The language used must not be so interpreted as to seem to insinuate any lack of good intention on the part of any management of any institution. Nor to detract from evidences of lofty purposes of accomplishment in the activities of particular institutions, as those purposes may appear at length in their respective reports to the Commission of State Institutions.

The business side of the matter is one requiring such details of cost presented to a paying public—and particularly for use of the legislature acting for that public—that it may be considered and determined how much progress may be made each year towards the completed ideals of any institution, without unnecessary financial strain upon the public itself, when the demands for public funds for other activities are also provided, other public demands, such as county, city and national, are considered; and with it all likewise considered the real present general financial situation of the public with the uncertainties of future war reconstruction, and its effect thereon, are also considered.

The people provide for and pay the bills, as a matter of business justice, details as to use of that money should be full, complete, and satisfactory.

The Remedy to Stop the Incurring of Debts for Payment From State Funds

THIS magazine has many times presented to its readers the business proposition as to the necessity of a budget for state purposes and state expenditures. Presented also in that same connection the necessity for repeal of many acts containing clauses under apparent authority of which—clauses containing the "so much as may be necessary to carry out the purposes of this act shall be paid out of the general fund"—that any budget law which may be proposed and enacted will be surely effective. So effective that no expenditure may be made for any purpose except a

purpose specified in the adopted budget. So effective that the total amount expended for any purpose shall not in any year exceed the budget amount appropriated for that same purpose. So effective that the total of all expenditures for all purposes shall in no event exceed the total of the budget for a given fiscal year. With all those repeals made, it may be suggested that amendments be made to still other general laws pertaining to state funds, which if made will add to the certainty that a budget law will be fully effective. Brief reference is made to those

general provisions.

Limit Or No Limit to Expenditures, One of Construction of Present Laws

Paragraph 100 of Revised Statutes of Arizona, 1913, Civil Code, reads as follows:

"No sum of money or moneys, in excess of the amount appropriated for any purpose, or credited to any specified fund or funds, shall be paid out of, or from, any of the public money or moneys in the custody or possession of the state treasurer."

If that paragraph had been construed

liberally in favor of the public, it would have been construed to be a limitation of the power of officers to **expend more than the amount appropriated to the credit of any fund or funds.** A similar liberal construction of it, would have confined the debt creating and deficit making policy to the minimum of actual emergencies, consistent with the well recognized policy of the constitution, that the debts which the state may contract to supply the casual deficits in revenues, or to meet expenses not otherwise provided for, are not debts to be created in excess of the amounts provided for by express provision of the legislature when it appropriates for each year an amount sufficient in its legislative mind, to defray the ordinary expenses of the state for that year, and when in the general appropriation bill it fully covers, item by item, institution by institution and office by office, amounts to be used for salaries and for maintenance, and for expenses of each. A policy of the people based upon an experience under territorial days, of large debts created, large bond issues made, all of which had to be refunded, that the public be deemed honest to the extent of paying debts, all refunded in fact, and from that experience, the constitution was adopted, as we believe, with an intent against further debt making by administration officers, except in case of actual necessity and real need for some purpose not otherwise provided for in appropriations actually made.

Appropriation Purposes as Named Not Actual Purpose of Use of State Funds

Aside from the question of what the people really meant in constitutional provisions above referred to, the fact remains that administration officers, acting under Paragraph 100 above quoted, have expended not only the amounts mentioned in general and special appropriation bills, but have added thereto and expended every other amount received from any source, credited to any fund, or funds. Have in practice shifted funds appropriated for maintenance, to general expenses, from general expenses to additional salaries for extra assistants, from maintenance funds to improvement and building funds, entirely losing sight of the real purpose for which any fund was appropriated, and using institutional funds for any purpose whatsoever, connected with that institution, if some fund appropriated to some purpose connected with the institution had a balance. After exhausting all balances in all funds, resort has been had to further funds

for expenditure, under guise of authority of the so much as necessary clauses. Then comes many instances of actual deficits. Other instances of debts created one year for purposes of that year, but for future payment, when in funds with the incoming of the tax revenues available for a new fiscal year. All covered in requests for appropriations, in many cases exceeding actual needs for maintenance, but classed under maintenance requests, that the final deficits might not become apparent.

An Amendment Proposed to Mandatorily Effect Change of Policy as to Expenditures

An amendment of Paragraph 100 is suggested to put a stop to all such practices. If that paragraph read: "No sum of money or moneys in excess of the amount specifically appropriated for any purpose, shall be credited to any fund, which credits shall be: First, amounts of revenues to any purpose other than from taxation; second, amounts raised by taxation sufficient with other revenues to equal that specific appropriation, and no sum of money shall be paid out of any fund, nor any warrant drawn upon any fund, nor any liability created for any purpose, in any fiscal year, the aggregate of which warrants drawn and liabilities incurred, shall exceed the specific appropriation of that fiscal year made for each purpose for which warrants may be drawn and paid when money is in the treasury to the credit of that fund and purpose," the effect would be remedial in its nature.

To the proposition that costs of maintenance cannot be estimated to a certainty, that extra funds must be available to carry on state activities, the answer may be, that it is up to each institution, and each officer, to so shape his prospective future expenditures, that same will be planned to be within the amount specifically appropriated for the purpose. Should funds fail—should any institution or public activity suffer in consequence of lack of funds, with expenditures so planned, the blame would fall upon the legislature and not upon the officer.

It will be within the power of the legislature to create a bona fide contingent fund. Place the disposition and control of that fund in the executive department of the state. Real needs for funds to meet actual unforeseen contingencies, could then be presented and acted upon, and provided for under the circumstances of each special applica-

tion from any institution, office or department. The amount of such a contingent fund could be fixed by the legislature. It could be provided for in the budget. The fund itself could be treated as other funds are treated, subject to the same limitations against any overdraft, liabilities exceeding it and the like.

No Real Distinction Between Rule for Public or Private Finances

The suggestions of this article follow financial lines controlling operations of private business, which in many instances include many branches, and many departments, each distinct and separate from the other. It would seem plain, that business is business, whether it involves the use of private money or public funds, to conduct its activities. I would seem to be clear, that similar rules may be made to apply to each that rules which have made "large business" successful, will make for economy within limits of necessities when applied to public expenditures for public activities and enterprises.

—o—

Back Salary Decisions

Ever since the decision of the Supreme Court, which declared the county's salary law of 1912 void for the reason that it failed to really classify counties in a manner contemplated by the constitution, there have been pending suits in several of the counties involving claims made by county officials who had acted and received pay according to the schedules which appeared in the 1912 law, less in amount than the salaries fixed by the 1901 salary law or its amendments. In 1917 the legislature enacted a law which was expected to operate upon back salary cases not yet commenced. That same legislature enacted a new county salary law with a new classification of counties. In addition to the suits pending, involving back salaries, other suits have been pending involving the question of when the 1917 county salary law would take effect. And in addition to all this, in some counties, classification of different county officers have been in abeyance waiting the final decisions by the Supreme Court in the cases there pending. These decisions were made during December and the general effect thereof appears by

extracts therefrom quoted as follows:

"The defendant interposed the one-year statute of limitations, Subd. 3, Par. '09, R. S. 1913.

"We have decided in Santa Cruz Co. v. McKnight, that said statute of limitation does apply to such cases, and when pleaded bars a recovery of back salary due and payable a year or more prior to the commencement of action. We adhere to that decision. The consequence is that the judgment must be vacated and the cause remanded with instructions to the lower Court to render judgment for the plaintiff for the aggregate sum accruing within one year of the commencement of the suit."

¶ ¶ ¶
"The parties seem to agree that Chapter 61, Laws of 1917, altering the County Classification Statutes of the Territory, became operative on the 14th day of March, 1917. Assuming for all purposes of this case, but not deciding, that on such date said chapter became operative for any purpose, it clearly became operative for all purposes, including the alteration of said classification statutes; and thereafter the only law in Arizona providing the salaries of County Recorder, County Attorney, County Assessor and County Superintendent of Schools of Yavapai County, as well as the salaries of all County Officers of the counties of the state, was provided by Chapter 61, Laws of 1917, insofar as said chapter purports to provide salaries for the officers named therein and reasonably included within its terms.

"For the reasons stated, I am of the opinion that Chapter 61, Laws of 1917, did not stand suspended by Sec. 17, Art. 4 during the said officers' terms of office; that the appellants correctly paid county officers' salaries in amounts fixed by said Chapter 61, Laws of 1917, and, as a consequence, the trial court erred in overruling appellant's demurrer."

As to the matter of back salaries which may be claimed in counties where the officials have been holding claims in abeyance, pending the above decisions of the Supreme Court, it will appear that such salaries may not be paid for a period farther back than one year, owing to the rule above announced as to the one year statute of limitations barring action on claims beyond that period in the past.

So little is said in the decisions respecting the effect of the 1917 limitation law, that no statement may be made as to just how that law will effect cases of claims for salaries, where suit is not brought for old, earned prior to

the law, within ninety days after that act went into effect, or in cases of salaries which have become due since that law, have not been paid, and no suit has been brought within the ninety days.

It is suggested that county officials examine the recent Supreme Court decisions quite closely, before taking any action towards payment of any salary, or part of any salary, claimed by any officer, under any phase of the whole situation, and protect public funds to the extent warranted by a fair application of the rules there established as pertaining to salary claims.

—o—

Questions and Answers

Several employees of the Commission of State Institutions claim to have employment contracts which will not according to terms thereof expire until June 30, 1919, the services to be rendered is general service connected with branches of the state business under control of that Commission, do not fix the exact kind or amount of service to be rendered, but does fix a monthly salary, and gives these employees purported power to hire assistants, fix salaries, and finally pass upon payrolls, which the Commission agreed to pay as so fixed. Are such contracts binding on the state, or may they be terminated at the pleasure of the Commission?

In our opinion these contracts—so called—may be terminated at any time. The reasons which support that opinion are found in the fact that the term of office of the Commissioners is not fixed in duration, but they hold office "at the pleasure of the Governor". It is one of the duties imposed upon the Commission as such to appoint all officers named in any statute to be appointed by any management superseded by the commission. Another duty of the Commission is to fix the number of assistants, clerks, guards, and employees required in the management of any institution where the superintendent or chief executive officer under the control of the Commission, appoints such persons. Another duty of the Commission is to fix all salary schedules, unless otherwise provided by law. Respecting appointments, the law provides that same shall remain effective until revoked by the Commission. The general duties of the Commission respecting state construction, buildings, and grounds is declared to be one of general charge. All of which duties by the legislature specially

imposed upon the Commission itself, are duties which cannot be delegated for fixed periods, by arrangements with third persons, which will put it out of the power of the Commission to exercise full supervision, control, and otherwise perform the functions of that Commission. Furthermore, were one such contract valid, two and more would be equally valid, and so with any number of similar contracts would in turn be valid. Such validity, if recognized, might under the guise of contracts, parcel out every duty and branch of duty first vested in the Commission, to third parties, free from any except contract right control, and free from the power of the Governor to finally control the work of that Commission, if in event of dissatisfaction at any time he changed its membership, appointed new members, the latter would be powerless to act fully, for reason of those prior contracts. It would be against the policy and purpose of the act creating the Commission to tie it up with arrangements like those referred to, hence the answer as above given, that a new commission is not bound by such arrangements as referred to in the question.

—o—

What portion of state highway fund is under the entire supervision of state officers?

Only 25 per cent of that fund as appears from reading Sections of Paragraph 5123 of Rev. Statutes of 1913, as follows:

"Twenty-five per cent of the 'state road tax fund', herein provided for, shall be subject to be paid out upon the authority and under the direction of the state board of control and state engineer, who are hereby charged with such responsibility;

Seventy-five per cent of such state road tax fund herein provided for, shall be apportioned to the several counties in the amount to each county of seventy-five per cent of the taxes collected under this act, by said county, and such amount shall be subject to be paid out for the construction, re-construction, repair, improvement and maintenance of public highways, roads, and bridges in the manner as in this act provided, for the work in this act provided for within such county, upon the authority and under the direction of the county board of supervisors of such county and the state engineer, who are hereby charged with such responsibility."

—o—

The state tax levy for the year beginning July 1, 1918, included amounts, "State Fair, maintenance and improvements, \$10,000.00," "Amount equal to receipts, year ending June 30, 1918,

\$34,247.45;" "Maintenance under 1917 general appropriation bill, \$15,000.00"; all intended for use in connection with an annual state fair in fall of 1918. Preparations for a fair resulted in an expenditure of \$11,569.17, as shown by the report of State Fair Commission, and the question is asked if the unexpended balance of funds raised for State Fair purposes, are presently available for state fair purposes, or do those funds revert to the general fund of the state, in such effect that a new appropriation by the Legislature must precede the use of balance for fair purposes?

An examination of Section 15a. of general appropriation bill for year 1917, seems to be the cause for above question. That section makes an appropriation for fair purposes of the fair to be held in 1917, to be raised upon tax rolls of 1917, an amount equal to receipts from the fair turned in by the Fair Commission prior to June 30, 1917. Makes a similar appropriation for the fair of 1918, of an amount equal to receipts from fair held in 1917 turned in by the State Fair Commission prior to June 30, 1918. The amount so turned in, is the item of \$34,247.45, levied on 1918 tax rolls for state fair maintenance. That same Section 15a. refers to receipts from fair of 1916, and 1917, up to June 30, 1918, when it provides: "The receipts from the State Fair are to be turned in to the State Treasurer for the credit of the general fund." This provision has been fully complied with. The tax raised funds have become a special fund which under the provisions of Paragraph 99 of Revised Statutes, 1913, Civil Code, reading as follows:

"All funds of the State, other than the general fund, and all moneys received and credited to such funds shall be considered and carried as appropriations for the use and benefit of the purpose for which such funds were created."

are still without question available for present use in connection with State Fair purposes. No new appropriation is required as authority for the use of the balance of that fund.

What Balances of Funds are Unincumbered for Future Activities?

One of the first official acts of the Commission of State Institutions after January 6, 1919, was the adoption of a resolution as follows:

"RESOLVED, That no salaried employee shall proceed with any further act

in line with any previous duty, until such time as each such employee has prepared, submitted, and has approved, a detailed report which shall show:

"1st. The particulars of the matters in which such employee is presently engaged;

"2nd. Details as to matters heretofore undertaken in the line of particular duty, and

3rd. Which shall show the present state of their particular activities as to each with respect to completion or incompletion.

"In all cases where an employee has heretofore furnished estimates for, or made requisitions for supplies, materials, or equipment, as the basis of any order or contract for any such supplies, materials, tools, or equipment, the reports required above shall refer to the contract, or order referring thereto, or authorizing same to be purchased at State Expense, and with respect to each such order and contract, give amounts showing total amounts actually received thereunder, actual use and disposition made of portions received, and shall as to each such order or contract show amounts ordered and in transit, and from where to be supplied; and shall also show balances to be received upon each order or contract made, deducting from total of each items of totals actually received and totals ordered thereon but not yet received or in transit.

"FURTHER RESOLVED, That no employee shall, prior to time reports as above required have been made and approved by the Commission, make any further order whatever, nor any offer of contract for supplies, for any State purpose whatever, nor attempt to create any liability against the State of Arizona, nor any of its funds without special authority and direction of the Commission, after requisition made to and approved by it.

"FURTHER RESOLVED, That compliance with this order to the end of making reports shall supersede all previous orders made to any employee; that the reports hereby required shall be made and submitted within three days by each employee to whom same is directed."

A reason for the adoption of the above resolution is given that many of the state funds, for maintenance, for special improvements, and for new construction, are more or less encumbered by outstanding contracts, orders for supplies, materials, tools, and equipment. The extent to which the total fund in each case may be decreased, when those outstanding orders are received to be paid for from that fund, must be

determined before safe plans may be made along lines of completion of activities now under way, and do so without overdrawing the appropriations, creating deficits in the shape of outstanding warrants drawn on funds, outstanding certificates of indebtedness, beyond amounts appropriated to pay same. All with a purpose of keeping actual expenditures made, and liabilities created with respect to any appropriation, within the maximum amount of that appropriation.

The resolution appears to be for a purpose of ascertaining at the outset just where the Commission is with respect to matters of funds, and do so before going ahead blindly, and regardless of funds, or no funds to pay out.

—o—

Budget Law Legislation

Two years ago the appropriation committees of the Legislature made every effort to obtain from all available sources of information, facts upon which to determine the amounts necessary to carry on the activities and enterprises of the public, as administered by many state agencies. The information then forthcoming was far from satisfactory.

A budget bill, which when applied to state finances will be such as to require a strict and detailed system of accounts, kept with respect to each branch of every state department, institution, commission, office, and other agency, which is the subject of any appropriation from public funds, that the actual cost of each several activity may appear distinct from every other activity of that same agency, and that the actual cost of currently maintaining each entire agency may be shown distinct from new capital invested in new buildings and properties thereof; that the aggregate cost of each institution, may appear distinct from that cost of every other; with the actual costs, actual available funds, and details which such an accounting system would disclose in parallel item by item with estimates as to cost of future activities. With the paralleled statements and estimates compared with actual revenues from sources, prepared and presented in the shape of "a proposed appropriation budget; accompanied by proposed appropriation measures which would be below that budget. With all this, a Legislature would have before it the groundwork of a plan which could finally be worked into actual appropriation bill.

1c. Paid
Phoenix, Ariz.
Permit No. 18

ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS' MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME SIX PHOENIX, ARIZONA, JANUARY, 1919. NUMBER ONE

Total Number of Cattle in Arizona, Valuation and Percentage of Total State Val- uations for Years 1913 to 1918 Inclusive

Year	Number	Valuations	Percentage of Total State Valuations
1913	757,983	\$16,846,609.00	4.48
1914.....	740,803	\$18,851,180.50.....	4.63
1915.....	797,607	\$21,219,022.50	5.04
1916.....	797,283	\$21,434,619.00.....	4.41
1917.....	933,457	\$29,056,509.00.....	4.16
1918....	1,042,351	\$33,416,682.00	4.01

EDITORIAL COMMENT

Extracts From the Budget Bill

(Senate Bill No. 30.)

IT SHALL be the duty of the head official of every office, the chairman of each state commission, the chairman of every state board, the officer in control of each state institution, and the person in charge of the distribution or disbursement of the funds of any and every other state agency, to make or cause to be made the reports required by this act, setting forth the financial condition of the particular state agency of which he is the head, chairman, or controlling agent. * * * Said forms shall be so prepared that the reports made thereon shall tabulate the items pertaining to each subject, object, or purpose appearing therein, all so stated as to be readily compared with each and every other reference to that same subject, object and purpose. Said forms shall provide for and require a statement of the amount of each and every appropriation to each and every fund under the control of the state agency whose report it is to be; the actual amounts received and placed to the credit of each such fund, including therein the balance remaining at the beginning of the fiscal year covered by such report; the encumbrances outstanding against that balance arising from prior activities; the amount of the true unencumbered balance of each and every fund. Said forms shall further require the particular amounts received during the year and credited to each fund; the sources thereof, whether from taxes, appropriation or other source; and shall show the revenues, if any, during the previous year, but not actually received and credited to each fund. Said forms shall require such a classification of the items and details pertaining to actual distribution of revenues to funds, as will clearly disclose the actual distribution of revenues according to the specific objects and purposes stated in appropriations and that each item of expenditure was for the purpose and object stated in the appropriation from which that expenditure is made. Said forms shall require such separate and distinct segregation of each special activity of every department, commission, institution, office, and other agency, that the revenues for

the support of each activity of every activity as mentioned in any appropriation, the distribution of those revenues, and the expenditures and use of the money thereof, shall appear distinctly separated from the revenues, funds and expenditures of each of the other activities of that same public agency. Said forms shall require such a summary statement of the financial affairs of the fiscal year reported, as will show in the various sub-divisions and classifications of said report, the amounts actually received and credited to each, the amounts due and unpaid to each with the sources from which due, the actual expenditures from each, the balances actually remaining to the credit of each, and the amount with which each may have been encumbered by the activities of that fiscal year, all to be stated in such manner as to show the real amount available in each fund for the activities of an ensuing fiscal year or years. Said forms shall require details as to the monthly cost of each public activity, setting forth the salaries, wages and expenses paid; the cost of supplies used each month; the number of employees; the duties of their employment; the monthly, semi-monthly, or weekly wages of each, and whether with or without board; and all other allowances or emoluments. All reports made shall conform strictly to the requirements of the forms furnished, and the explanations and instructions appearing thereon * * * Every department, institution, commission, office and officer, to whom any appropriation of state funds is made for any public purpose, shall keep such books, records, and accounts respecting the use of the moneys of each such appropriation, as will show the facts required to be shown according to the requirements of the forms of reports mentioned in the preceding section of this act, without reference to other sources of information respecting those facts. * * * All bills, statements, letters, vouchers, and other documents, pertaining to any entry made upon the books to be kept as above required shall be preserved and systematically filed in the public offices referred to herein. All so kept and filed as to be readily accessible for purposes of auditing such books, and test-

ing the correctness of reports made and to be made under the provisions of this act.

On or before the first day of October of each even numbered year, the same officers and persons of the several state departments, institutions, commissions, offices and agencies, by this act required to make annual financial reports, shall upon forms prepared under the direction of the Governor, and distributed from his office at the same time forms for annual reports are distributed, prepare and submit with the annual report of that year, estimates as to probable needs for state appropriations and funds, to cover the next biennial fiscal period; therein stating for each year the estimated cost of conducting the activities covered by such annual report in each case. The forms prepared for these estimates shall be so tabulated and itemized, and the subjects therein so classified, as to follow in parallel columns the similar tabulation in the form of regular reports as to expenditures of the previous year. The forms shall provide for the presenting of estimates upon new matters, new activities, and new funds suggested, under appropriate heads, classification and arrangement. * * * Matters in explanation of any report made, or in support of estimates for new activities may be added to the report and estimated as above required, but shall be appended as separate and distinct matters from the contents of the forms required in this act. * * * During the month of November of each even numbered year, the Governor shall provide for public hearings as to the matter of any or all the estimates so made. The Governor shall require the attendance at these hearings of the heads of responsible representatives of all state departments, commissions, bureaus, institutions, boards, and state offices and agencies who may be interested in the particular estimate to be considered at such hearing, and conduct such hearing informally for the purpose of open and free discussion by officers present, and members of the public, as to the general financial conditions of state affairs, and the matter proposed in the estimate under discussion, limiting the time of any officer or person, and the whole

time of such discussion as may be announced by the Governor at the opening of such hearings. * * * On or before the first day of January of each year preceding regular legislative session, the Governor and his assistants must have completed a careful survey of all the departments, commissions, institutions, boards, and offices of the state, through which he shall be in possession of the working knowledge upon which to base his recommendations to the Legislature. * * * Within five days after the beginning of each regular session of the Legislature, the Governor shall present to the presiding officer of each branch of the Legislature printed copies of the budget, based upon his own conclusions and judgment, containing a complete and itemized plan of all proposed expenditures for each state department, commission, institution, board, office, or other agency or undertaking, all classified by subject, character and purpose; and alike statement as estimated revenues, balances or deficits of funds, for each year of the bi-ennial period beginning with the first day of

July thereof. To include therein an estimate of amounts which may be required to meet any emergency due to casual deficits in funds, failure of revenue, or other contingency, with suggestions as to any immediate appropriation therefor. The budget so prepared shall show the actual financial condition of each fund, appropriation and activity of the agencies of the state as shown by the annual reports made and filed covering at least two completed fiscal years prior thereto; the items as estimated by reporting agencies as being necessary for the ensuing bi-ennial period after July first following said budget; the actual appropriations for purposes of the two preceding fiscal years, and for the current fiscal year; all so placed in separate parallel columns that the appropriation for each year, the actual expenditures as estimated by the Governor, may appear and show by comparison thereof, the increase and decrease, in items, purposes and objects. All to be so summarized and totalled that aggregates of all deficits, and ag-

gregates of all estimates of other state officers, and offices, with the aggregate of expenditures and appropriations as proposed by the Governor, may appear therein in positions for comparison. Such budget to be so prepared that it shall contain an itemized and complete financial balance statement for the state at the close of the last fiscal year preceding the budget. To include such a statement of the debts, current assets, liabilities, reserves, trust funds, as will disclose the actual financial condition of the state, and every department and state agency, with all possible accuracy. * * * The Governor also shall submit with the budget, copies of a tentatively proposed General Appropriation Bill, and copies of all bills of a special nature, as may be required to carry out the recommendations of the budget. The appropriation bills as so proposed shall be itemized, classified as to subjects, objects and purposes, as fully as the annual reports, annual estimates, and budget is required to be as to proposed appropriations mentioned therein.

An Outline of Some of the Important Measures Now Before the Legislature

THE legislature which is now in session is engaged in deliberating upon numerous bills and measures, some of which embody proposed amendments to the state constitution, others proposing new code provisions as to the manner of conducting the activities of our educational institutions, new provisions as to the manner of handling state road funds, and other less important changes.

House Bill No. 2: This bill contemplates an amendment of the state constitution which would permit a state bond issue of bonds to the amount of \$30,000,000.00, bearing not to exceed five per cent per annum interest, to run first for fifteen years—until January 1, 1934—and thereafter for the payment in each year of one-twentieth of the total issued. This would mean that should the bonds be issued to full amount of \$30,000,000.00, there would be an amount of \$1,500,000.00 per year to be raised and paid for annual interest upon the bonds for the first fifteen years. That after fifteen years, an additional annual amount of \$1,500,000.00 would be raised to pay the principal of the bonds, over and above, such sum as would have to be raised to pay the interest on bonds not redeemed.

The announced purpose of this pro-

posed constitutional amendment is to raise funds to build highways. The highways to be built are designated. They are the "The Santa Fe Highway", to begin at the New Mexico State line, thence to Springerville, St. Johns, Holbrook, Winslow, Flagstaff, Williams, Ash Fork, Seligman, Kingman, Yucca, and the California State line. The "Borderland Highway", beginning at the New Mexico state line, thence to Douglas, Lowell, Bisbee, Tombstone, Empire, Tucson, Florence, Chandler, Mesa, Tempe, Phoenix, Buckeye, Agua Caliente, Wellton, Dome and Yuma. "The Roosevelt Dam Highway", beginning at the New Mexico state line, thence to Duncan, Clifton, Solomonville, Safford, Thatcher, Pima, Ft. Thomas, Geronimo, Rice, Globe, Roosevelt and Mesa. "The Grand Canyon-Nogales Highway", beginning at the Grand Canyon thence to Flagstaff, Camp Verde, Prescott, Peoria, Glendale, and Phoenix, thence over the Borderland Highway to Tucson, thence to Nogales.

The proposed amendment provides that in event any sum is left after constructing the above roads, that such sum shall be expended for the construction of such other highways as may be designated by the respective county boards of

supervisors and the state engineer.

The construction of the lines of highway to be under the management, supervision and control of the state engineer, subject to the approval of the Commission of State Institutions.

The amendment proposes a State Highway Advisory Board of five members, to be appointed by the Governor, to serve without pay. The duties of this Board are stated to be, to advise the State Engineer as to proper methods and materials for the construction and maintenance of state highways and subjects relating thereto; to inspect all construction work on state highways at such times as they deem necessary; to have the books and accounts of the State Engineer examined and audited at such times as they may deem necessary, and at least once in each year. To report to the Governor at least once a year. All necessary expenses incurred in the discharge of their duties are to be presented to the auditor and by him paid.

House Bill No. 3 Provides for a tax sufficient to raise the sum of \$1,000,000.00 per year for the state common school fund. This fund was originally

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS' ASSOCIATION OF ARIZONA

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Appropriations for State Purposes for Five Biennial Periods

THE State Auditor has prepared a statement showing the legislative appropriations for a period commencing with 1909-1910, and up to and including 1918-1919, which shows the amounts which have been appropriated by the various territorial and state legislatures for territorial and state purposes, during that same period. The report shows the items which were each year appropriated to the several institutions, departments, and agencies of the state, as to which special appropriations were made. Shows the amounts appropriated for maintenance, for improvement and for buildings, to the extent that these items were the subject of separate appropriations in each year.

The table which we publish is an exact copy of the table which appears in connection with the above statement. It shows comparatively, year by year, the

appropriations for special funds for state institutions and departments, and in aggregate amounts, and for each year, the amount appropriated for the general fund.

The totals appearing in the statement present figures as to each year, which may readily be compared with the totals of other years.

It may be noted that in the fiscal year 1909-1910, the total of various funds was \$714,059.54; that the total of similar various funds for year 1918-1919, was \$2,581,774.26.

Comparing the appropriation to the general fund for year 1909-1910 with the appropriation to the general fund for 1918-1919, will be a total of \$228,748.91 to compare with \$791,167.00.

Comparing the total of appropriations for all current funds of the year 1909-1910, with those of 1918-1919, the total of \$942,808.45 is to be compared with \$3,504,941.26.

It must be borne in mind that the table referred to does not purport to cover special appropriations made in any year, to special purposes incidental to that particular year. Nor does the table purport to cover the matter of actual expenditures made in any year for the actual support and maintenance of state institutions during that year. In other words, the statement gives legislative appropriations only, and gives no figures as to other sources of revenue which in connection with the amounts appropriated, may have been used, and have in fact been used each year as amounts for support and maintenance of institutions, on top and in addition to the specific appropriations.

To get at the actual cost of maintaining each institution, each year. Or to get at the actual cost of maintaining all institutions for each year. In either case it would be necessary to consider the balances on hand from the preceding year, compute the amounts of warrants drawn during the year, add thereto the amount of claims outstanding which were created during that year, and consider the balances on hand in funds over the warrants drawn, all of which would show the actual cost.

One difficulty in the way of getting at actual total cost of maintenance of the institutions of the state, has been the fact that the reports made do not show the amount of claims outstanding, for which no warrants have been drawn, but which must be paid, and are consequently an incumbrance upon the funds provided for the year during which such unpaid claims are in fact created as a part of the maintenance cost of that year.

A TABLE

Showing Appropriations

Name of Fund	1909-10
Asylum for Insane, Int. Fund	\$ 1,074.86
Asylum for Insane, Mtc.	56,225.16
Asylum for Insane, Imp.	5,787.89
Asylum for Insane, Bldg.	
Asylum for Insane, Farm	
Asylum for Insane, Sewerage	
Bureau of Mines	
Capitol Building Interest	5,787.89
County Scholarship	
Date Palm Orchard	
Date Palm Orchard & Hortic. Sta.	
Farm Farming Fund	
Florence Bridge Fund	11,575.77
Free Employment Office	
Int. State Funded Debt	41,342.02
Interest St. Louis Expo. Bonds	1,653.63
Interest World's Fair Bonds	1,653.63
Military Fund	
Northern Arizona Dry Farm	
No. Ariz. Normal School, Mtc.	19,017.33
No. Ariz. Normal School, Imp.	11,575.77
No. Ariz. Normal School, Bldg.	
Pioneers' Home, Maintenance	
Pioneers' Home, Improvement	
Pioneers' Home, Bldg.	26,458.90
Plant Introduction	
Prescott Dry Farm	
Prison, Maintenance	59,532.52
Prison, Building	94,259.81
Prison, Improvement	
Prison Farm Fund	
Prison Farm Equipment Fund	
Redempt'n Fund, Funded Bonds	14,056.29
Redempt'n Fund, World's Fair Bonds	6,614.72
Redemption Fund, St. Louis Exposition Bonds	
State Road Tax Fund	206,710.13
State Road Tax Fund (Prison Labor)	
Salt River Valley Experi. Farm	
State Fair Imp. Fund	
State Fair Maintenance Fund	
State Industrial School, Mtc.	23,151.55
State Industrial School, Imp.	
State Smelt. & Samp. Works	
State School Fund	24,805.22
Sulphur Springs Valley Dry Farm	
Surface Water Investigation	
Tempe Normal School, Mtc.	41,342.02
Tempe Normal School, Bldg.	9,922.22
Tempe Normal School, Imp.	
Tempe Normal School Ground Imp.	
Underflow Water Investigation	
University Interest Fund, 1901	1,322.92
University Interest Fund, 1903	578.73
Univ. Redemp. Fund 1901 Bonds	
Univ. Mtc. Fund	37,207.81
Univ. Bldg. Fund	12,402.61
Univ. Imp. Fund	
Univ. Cent. Heating & Power Plant	
Univ. Printing Fund	
U. of A. Co-op. Agric. Ext. Work	
Univ. Farm Mtc.	
Univ. Farm Imp.	
Ext. Fund of the U. of A.	
Water Duty Investigation	
Yuma Horticultural Station	
Total Various Funds	\$714,059.54
Total General Fund	228,748.91
1st S.S. 1918, General Fund	
	\$942,808.45

FROM STATE AUDITOR'S BUDGET,

for the Five Biennial Periods, 1909-1910 to 1918-1919, Inclusive

1909-10	1911-12	1912-13	1913-14	1914-15	1915-16	1916-17	1917-18	1918-19
33.51	\$ 1,000.91	\$ 561.35	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
88.36	69,994.86	78,392.91	80,000.00	80,000.00	85,000.00	85,000.00	90,000.00	90,000.00
28.84	55,094.38	15,914.35	10,000.00	10,000.00	15,000.00	10,000.00	20,000.00	10,000.00
			25,000.00	25,000.00	25,000.00		7,500.00	7,500.00
							54,000.00	
					3,200.00			
					5,000.00	5,000.00	25,000.00	25,000.00
67.57	5,009.47	2,666.43	5,000.00	5,000.00	5,000.00	5,000.00	125,000.00	
					2,100.00	2,100.00	5,000.00	5,000.00
					3,500.00	3,500.00	2,650.00	2,650.00
							3,137.50	3,137.50
					7,600.00	6,500.00	3,000.00	3,000.00
							2,500.00	2,500.00
95.54	39,213.08	20,054.33	34,500.00	34,500.00	34,500.00	34,500.00	32,938.76	32,938.76
50.27	1,509.70	1,515.65						
50.27	1,519.51		7,000.00	7,000.00			50,000.00	30,000.00
					3,200.00	3,200.00		
909.03	20,069.70	31,681.35	43,600.00	43,600.00	40,000.00	40,000.00	79,500.00	79,500.00
	5,009.47	20,629.71			20,071.50	20,071.50	2,500.00	2,500.00
			45,837.50	45,837.50	56,900.00		75,000.00	
		12,525.18	5,000.00	12,000.00	15,000.00	15,000.00	18,000.00	18,000.00
		1,251.82	500.00	500.00	1,000.00	1,000.00	4,000.00	1,000.00
					3,000.00	3,000.00	3,000.00	3,000.00
							3,690.00	3,690.00
72.15	120,090.07	94,307.26	20,250.00	90,000.00	85,000.00	85,000.00	100,000.00	100,000.00
	20,047.68				23,900.00		12,000.00	12,000.00
							40,000.00	
67.57				14,500.00	14,500.00	14,500.00	10,000.00	
91.09	5,587.86						25,958.90	25,958.90
	2,501.79	2,526.09	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
15.56	245,081.77	261,407.95	250,000.00	250,000.00	250,000.00	250,000.00	697,000.00	834,000.00
							60,000.00	60,000.00
					3,000.00	7,000.00	10,000.00	10,000.00
		10,960.41	10,000.00	10,000.00	8,000.00	8,000.00		
415.34	10,048.55	26,229.21	43,000.00	44,000.00	15,000.00	15,000.00	77,689.64	59,247.45
	10,048.55				30,000.00	25,000.00	35,000.00	35,000.00
					14,500.00	500.00	10,000.00	10,000.00
37.87	29,409.81	42,101.46	500,000.00	500,000.00	500,000.00	500,000.00	752,500.00	752,500.00
					4,160.00	3,000.00	3,700.00	3,700.00
					4,000.00	4,000.00	3,000.00	3,000.00
63.11	46,859.63	52,311.06	70,920.00	73,050.00	90,000.00	90,000.00	110,000.00	110,000.00
196.41	6,960.32	20,482.46	63,500.00	63,500.00	4,000.00		50,000.00	
					10,000.00	5,000.00	37,500.00	12,500.00
					5,000.00	5,000.00	2,500.00	2,500.00
					7,750.00	1,250.00	2,400.00	2,400.00
191.89	1,254.82	1,263.04	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00
		1,263.04	550.00	550.00	550.00	550.00	550.00	550.00
	2,501.79	2,526.09	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
795.54	38,507.25	50,248.08	70,000.00	70,000.00	112,078.40	112,078.40	149,597.50	149,597.50
218.93		25,345.08	82,500.00	82,500.00		75,000.00	100,000.00	
	40,389.48		10,000.00	10,000.00	38,763.25	33,763.25	40,000.00	40,000.00
					48,000.00			
					1,500.00	1,500.00	6,000.00	6,000.00
							4,574.59	6,004.15
							11,850.00	11,850.00
							2,300.00	2,300.00
							6,000.00	6,000.00
					3,000.00	3,000.00		
					700.00	700.00		
998.85	\$ 777,710.45	\$776,164.21	\$1,384,407.50	\$1,483,787.50	\$1,605,723.15	\$1,480,963.15	\$2,974,786.89	\$2,581,774.26
176.26	402,124.40	507,901.08	620,939.90	483,330.00	688,063.08	567,355.00	923,665.77	791,167.00
								132,000.00
75.11	\$1,179,834.85	\$1,284,065.39	\$2,005,347.40	\$1,967,117.50	\$2,293,806.23	\$2,048,318.15	\$3,898,452.66	\$3,504,941.26

AN OUTLINE OF SOME OF THE IMPORTANT MEASURES NOW BEFORE THE LEGISLATURE.

(Continued from Page Two)

\$500,000.00. The 1917 legislature raised it to \$750,000.00, and the proposition now is to raise it again.

House Bill No. 7 Provides for a minimum salary of one hundred dollars per month for a twelve month per year salary contract for all teachers in the public schools of this state.

The two bills—Nos. 3 and 7—bear upon the same question. Higher minimum scale of teachers' salaries, the greater the amount of school funds necessary. There are other measures relating to that same subject. Those other bills relate to a more centralized control of the common schools, more uniformity in the real qualifications of teachers, in the actual opportunities offered in schools, and the like.

House Bill No. 10 This bill embodies another amendment to the state constitution. It would amend Section 2, of Article XI, so that the general supervision, government and control of the public school system and of all state educational institutions shall be exercised by the State Board of Education. That board to consist of seven members to be appointed by the Governor, no two from any one county, to finally have terms of seven years each. Provides that all members of the board shall be persons of recognized proficiency in their prior pursuits. Four of the members shall be persons actively engaged in public school work. The board to appoint a State Superintendent of Public Instruction, with duties and powers prescribed by the board of education.

The amendment provides for an annual statement of all expenditures, with provisions for a complete budget as to all proposed expenditures for each biennial period. Also provides that the expenditures shall not exceed the appropriations made for each year.

The purpose of this amendment is to make a way clear for the remodelling of the state common school system along lines suggested by a **Code Commission appointed to revise the present school laws**. It aims directly at removing the question of control of schools and educational institutions from political influences. The composition of the board would not be changed, except as to a possible change of one member each year.

House Bill No. 11. This bill requires the boards of supervisors of each county

to provide separate buildings for the use and treatment of tuberculous persons, to be known as the County Tuberculosis Sanitarium. Just how far the boards may go along the line required is not pointed out in the bill. Just how much of the county funds may be used for the purpose is not prescribed.

House Bill No. 12. This bill proposes an amendment to the state constitution that state common school funds shall be apportioned among the several counties in proportion to the daily average attendance in the county schools of each for the previous year. Under the present constitution, the money is apportioned on the basis of the annual school census of counties. Under existing laws the state common school fund after being first apportioned to the counties according to the number of persons shown by the school census of each county, is re-apportioned to the schools according to the daily average attendance. It would seem that the number of children of school age in each county, as shown by actual daily average attendance, presents the most reasonable way in which to determine a just apportionment of school funds.

The per capita cost of maintaining schools depends upon the number who actually attend. The proposed amendment is meritorious in that it presents a more equitable and direct manner of getting funds to counties whose inhabitants really send their children to school, than does the present method of apportionment. Incidentally it would do away with the extra cost of making a school census each year. The present school reports show the figures which would be required for the new manner of apportionment of state common school funds.

House Bill No. 20. This bill provides for an exemption from taxation personal property and improvements of each person to an amount of \$1000.00. Would exempt personal property and improvements to the amount of \$3000.00 to all widows and orphans. The present constitution exempts an amount of \$1000.00 in cases where the total assessed valuation of a widow's property does not exceed \$2,000.00.

House Bill No. 23. This bill has to do with the construction of State Highways, from state highway funds. It provides for a State Highway Board to consist of the Governor, the State Auditor, the Secretary of State, and the Attorney General. This State Highway Board is to appoint a State Highway Commission of three members, with terms of two, four and six years, in the

first instance, successors to serve for six year terms. The Commissioners shall be allowed twenty-five dollars per diem for not to exceed forty days service in any one year. The Commission would appoint the State Engineer for a four year term of office. The salary of Engineer would be \$6,000.00 per year. A Deputy State Engineer with a salary of \$5000.00 is also provided for. The bill nowhere limits the number of minor employees who may be engaged. Permits the Commission and State Engineer to fix the number of employees, and fix their salaries. Provides for the payment of all expenses incurred, including traveling expenses **within and without the state**, as any of the officials deem necessary. Would give the State Engineer power to "establish and re-locate roads", to "close roads to traffic". The law provides for a state tax levy of two mills on the dollar of assessed valuation of taxable property in the state. Based on last year's valuations this will call for a tax levy of over \$1,668,000.00 per year. It adds to that all revenues from registration of motor vehicles, chauffeurs' licenses, fines and penalties. Also adds thereto all receipts from the sale of bonds that may be authorized by the people of the state for highway purposes.

Section 27 of House Bill No. 23, does provide that not to exceed ten per cent of any bond shall be used for administrative and engineering purposes.. The law expressly states that travelling expenses of all persons connected with the State Highway Department shall be paid. Provides expressly for the payment for all equipment, and supplies, division offices, and laboratories as may be established by the Commission. Provides that all incidental office expenses, postal, express charges and expenses for printing, stationery and advertising, shall be paid. The Commission and the State Engineer, in the first instance classifies every expense. Of those expenses distinctly authorized, which will be so classified to appear as "administrative and engineering expenses." The law places a limit of ten per cent as connected with "BONDS". There is no specific limit placed upon expenses which may be incurred and for which warrants must be drawn, if that payment may be made of other revenues to the State Highway Fund, other than the proceeds of sales of bonds.

House Bill No. 25. This bill provides for a County Board of Education, to consist of five members. It would divide all the school districts in the state into two classes. Those having a daily average attendance of five hundred or over,

will be in the first class, districts having daily average attendance of less than one hundred, to be in the second class. The proposed County Board of Education, to be elected by the electors of the latter class of districts, would have the immediate direction and control of the schools in those districts. The County Superintendent of Schools would be the secretary of that board. Would be appointed by the board. The Board would select teachers for the several schools of districts of the second class. Would fix the boundaries between school districts and locate schools with reference to convenience, efficiency and economy. Would consolidate schools and provide for the transportation of pupils at public expense. The Board would have power to arrange for the attendance of pupils living in first class districts at schools of second class districts, and vice versa, to meet conditions as to residence of each pupil with respect to distances from schools. The Board would control the public schools funds in manner as provided by law. The Board would have power to appoint one school trustee for each district of the second class. The bill provides for nominations and elections. It also amends the present law as to distribution of state common school funds, by requiring such funds to be paid to the state treasurer on the second Monday of each month, and for a distribution to counties each month of funds on hand.

House Bill No. 28. This bill relates to the organization of special road improvement districts, for the issuance of bonds for road and bridge purposes, after an election authorizing same. The limits of the district are to be stated in petitions, and to be as finally fixed by the board of supervisors, if ratified by two-thirds of votes of the electors of that district voting in favor of its organization. The bill provides for special taxes on the property of the district to pay interest and principal of bonds, and for maintenance of the roads. Road construction work shall be let by contract. After the roads are constructed, the bill provides that same shall be controlled by the board of supervisors.

House Bill No. 31. This bill is an amendment to existing laws relating to special improvements, bonds and districts of municipal corporations of the state.

House Bill No. 34. This bill is of special interest to the cattlemen of the state. It provides for a re-record without expense of all brands now in actual use. It provides for a cancellation

of all brands not so re-recorded. The purpose of the bill is to call in many devices which have been recorded as brands, the use of which has been discontinued, and permit the use of those devices and brands by new claimants. It covers a matter recently approved at a meeting of the cattle growers' association.

House Bill No. 36. This is a bill which would permit court reporters to employ as many deputies and assistants as he may deem necessary for the efficient conduct of his office, to be compensated by him, except in cases where extra sessions of court are held, in which cases the judge may permit an extra assistant for the time being, and such assistant to be paid from county funds.

House Bill No. 38. This bill provides for the preference to employment upon public works, and in public offices of this state, the several counties and cities thereof, of honorably discharged soldiers and sailors, found competent to perform the duties of the particular employment. The bill also provides for a pension to all such employees who shall have been employed in continuous service for ten years or more, when they arrive at the age of seventy years, or if employed at manual labor, upon being incapacitated for manual labor. The amount of pension to be equal to one-half the salary or wages paid him, during the last year of his employment. Payments to be made by the state departments, the county, or city which employed such person. No pension to exceed the sum of one thousand dollars per year.

House Bill No. 39. Provides for an exemption of property not to exceed two thousand dollars, of every resident in this state who has served in the army and navy during the late war and honorably discharged therefrom. Like exemptions for the widow of any such soldiers and sailors, while she remains unmarried. Exemption to be from taxation, and value to be deducted from the homestead.

House Bill No. 42. This bill covers the proposition of adopting the "Toren's" system of land registration for recording of titles in this state.

House Bill No. 46. This bill provides for the levy of a tax of not to exceed one-half mill on the dollar in cities of five thousand, and not to exceed one mill on the dollar for cities and towns under five thousand inhabitants, for the purpose of establishing and erecting

free public libraries and reading rooms, and purchasing such books, journals and other publications for the purpose of libraries.

House Bill No. 49. This bill has a purpose of creating a Miner's Hospital for sick and injured miners, and a home for indigent and aged miners and their families. It provides for an appropriation of \$250,000.00 for the main purpose of the act. The buildings are to be a main hospital. Also homes of an approved cottage type for the aged miners.

House Bill No. 50 This bill is one intended to provide a new code of laws pertaining to the common schools of the state. It provides for the repeal of Paragraphs 2694 to 2865 inclusive of Title II, Chapter 27, of Revised Statutes of Arizona, 1913, Civil Code. The bill comprises eighty-eight printed pages. The bill provides for a State Board of Education of which the State Superintendent of Public Instruction shall be a member and secretary. The powers of this board are enumerated in the bill as follows:

To keep a record of its proceedings subject to public inspection * * * To adopt and use in the authentication of its acts an official seal. * * * To adopt rules and regulations not inconsistent with the laws of the State, for its own government and for the government of the public schools and school libraries. * * * To devise plans for the increase and management of all state School Funds. * * * To select and purchase text books as provided by law for the elementary schools of the State. * * * To have final approval of the courses of study for the common schools of the State, prepared by the Superintendent of Public Instruction and to fix standards for graduation for all State Schools and High Schools. * * * To have general charge of the education of the deaf, dumb and blind under such regulations or restrictions as are prescribed by law. * * * To control and manage the educational policies as to courses of study and entrance requirements of the State Normal Schools and of the State University, and to approve the course of study in the educational Department of the State Industrial School. * * * To have general control over schools receiving State aid under immediate local control, and to have power to require that English be taught in all private schools unless such schools are organized for the express purpose of teaching foreign languages, and to obtain such reports through its secretary from all schools, public or private, as it may deem for the good of the State. * * * To advise the ap-

portionment of all available State School Funds in accordance with the law. * * * To determine the kinds and requirements of teachers' certificates as may not be fixed by law and to accredit such schools and credentials upon which certificates may be granted without examinations as may be recommended by the Superintendent of Public Instruction. * * * To approve when recommended by the Superintendent of Public Instruction, maps, charts, and globes; plans for school buildings, and plans for reading circles for both teachers and pupils. * * * To have charge of vocational education as fixed by law. * * * To expend a sum not to exceed three hundred dollars annually for the purpose of maintaining state headquarters at the annual meeting of the National Educational Association. * * * To advise with and assist the Superintendent of Public Instruction in the duties conferred upon him by law. * * * The Board may designate in addition to that prescribed by law the kind and extent of service to be employed in the State Department of Education, under the direction of the State Superintendent of Public Instruction. Claims for salaries and expenses incurred in the rendering of such service, when approved by the State Board of Education, through its secretary, shall be paid by the State Auditor out of the general fund of the

State. * * * The Board may standardize schools. * * * The State Board of Examiners is to be abolished. It provides new powers and duties for the County School Superintendent. It places the Board of Trustees of school districts under the supervision of rules for the government of schools prescribed by the State Board of Education. It being impossible to go into all the details of all minor changes made by this act effecting the present school code. To recognize such changes it will be necessary to read the old school laws and carefully compare the provisions therein with the proposed amendments.

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INTANGIBLE VALUES AS A BASIS FOR TAXATION

The question of how far assessing officers may go into the matter of considering "intangibles" as a value connected with property in this state and assess it as a portion of the taxable values thereof, is a question of interest to many taxpayers.

In a recent case of Standard Oil Company against the State Tax Commission, Judge Sawtelle in the United States District Court dismissed a complaint seeking to enjoin the taxation of intangible values in connection with the real estate and

visible property of that company in thirteen counties of the state. The case has been appealed to the United States Circuit Court of Appeals and will be heard at San Francisco on the 27th of February.

That appeal seems to involve also another question relating to cases involving the illegality of tax rates and assessments. That question is as to the validity of the state law which requires a taxpayer to pay the full amount of tax levied before any question can be presented in court as to the validity of the tax.

Those who are interested in questions above referred to, will be interested in the outcome of the above appeal.

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CHARLES O. ELLIS

It is with deep sorrow that this Magazine announces to the members of the State Taxpayers' Association, the death of Mr. Charles O. Ellis, who has been the treasurer and a charter member of the association since its organization.

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Mr. F. H. Fisher, cashier of the Bank of Douglas, has been elected treasurer of the State Taxpayers' Association, to succeed Mr. C. O. Ellis, whose death created a vacancy in that office.

Comparisons of Assessed Valuations of Different Classes of Property, the Different Business Industries and Enterprises of Arizona

This Magazine will publish each month until it has covered the ground, statements showing just how much the increased valuations of property of all classes—the aggregate of all—in this state since statehood, has affected each particular class of business, each main industry, and the different enterprises which go to make up the taxable wealth of the state. It will show year by year the percentage of the total which each such class bore to the entire valuation of that year.

On the front page of this issue, a statement which shows figures as to cattle of all kinds in the relation which that industry bears to all other property of the state.

In any statement which will be published, the figures will be taken from official reports covering the subject dealt with.

1c. Paid
Phoenix, Ariz.
Permit No. 18

ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS' MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME SIX

PHOENIX, ARIZONA, FEBRUARY, 1919

NUMBER TWO

Total Valuation of Property of the Mining Industry in Arizona, Shown for Each of the Years Since Statehood, with Percentages Which Those Values Bear Each Year to that of All Other Property in the State

Year	Mining Property of all Descriptions	Percentage of Total State Valuations
1912-13	\$ 45,145,084.49	31.7
1913-14	\$140,488,648.30	37.2
1914-15	\$146,672,395.05	35.7
1915-16	\$159,019,288.85	37.4
1916-17	\$216,879,796.28	44.2
1917-18	\$393,421,536.60	56.0
1918-19	\$491,679,957.15	58.63

EDITORIAL COMMENT

How Accounts With State Funds are Kept in Treasurer's and Auditor's Offices

THE books in the offices of the State Treasurer and State Auditor are kept with reference to specific appropriations made for stated purposes so far as the laws of the state show such specific purposes with amounts appropriated therefor.

Many special state purposes are covered by specific acts, each act designating a purpose. Those acts in many instances are silent as to the particular fund from which to pay, and in such cases a special fund is carried under a name similar to the purpose of the act. The amount mentioned as for the purposes is credited to that fund. Other acts having special purposes such as buildings, bridges, state construction of other kinds, and the like, name an amount to be expended, and direct the payment of expenditures made for that purpose, "out of the general fund." The state books in those cases show what may be termed "sub-funds" in the general fund, each of which is credited with an amount so specifically mentioned for payment out of that general fund. As to such "sub-fund" purposes and the amounts therefor, these are treated as specifically appropriated for the purposes named, even though the moneys are first part of the general fund.

At the beginning of each fiscal year—each July first of each year—every appropriation which has been made by the Legislature for the purposes of that year is treated as an amount to be available for each such

mentioned object and purpose as mentioned in the general appropriation bills, the specific salary bills, and special bills for designated purposes which carry an appropriation, is in each such case so far as the State Auditor is concerned treated as the gross amount beyond which the Auditor is not to draw warrants. In the Treasurer's office the books credit the same amounts as available, but an account is also kept as to

actual receipts into the treasury, beyond which amounts of actual receipts the treasury is not at any time to actually pay any warrants at all. If warrants are drawn and presented to him when funds have not actually been received and for payment thereof, the treasurer then registers the warrant. Such registered warrants are to be thereafter paid when the money comes in to pay same.

In the case of the Auditor, therefore, he draws warrants according to, but not exceeding, amounts appropriated. In the case of the Treasurer, he pays warrants when there is a balance of money actually in the state treasury to the credit of the appropriated fund created for the purpose of such payment.

Since the law respecting semi-annual payment of taxes has been in existence, it has so happened that warrants have been properly and lawfully drawn against amounts available for state purposes, in advance of the receipt of tax money into the treasury. Warrants have been registered by the state treasurer on that account.

The law which relates to semi-annual payment of taxes has no effect whatever upon a situation where offices, departments, boards and institutions, have for the first six months period of a fiscal year caused more money to be expended, caused more

RECEIPT OF TAXES HAS NO BEARING UPON EXPENDITURES OUT OF PROPORTION TO TOTAL APPROPRIATIONS

warrants to be drawn, than a just proportion of the total allowed in appropriations to cover a full fiscal year. Using more than one-half of an amount apportioned for maintenance for a full year has two effects. It results in the registering of warrants and payment of interest thereon. It has also resulted in leaving those same institutions without available balances sufficient in amount to eke out the remaining six months of the year.

If the purport of the Governor's mes-

sage which appears in this issue is understood. If the amounts of deficit of funds there mentioned, is added to the amounts for which emergency appropriations have already been asked (not mentioned therein), and amounts of liability against funds which are constantly appearing as to result of continued investigations as to real state of funds, then the situation is that nearly one half million of dollars will be needed to maintain our states activities and carry them over the last six months period of the present fiscal year, which is one half million dollars additional to all previous appropriations, theretofore made by the legislature, and by it intended and declared to be all that should be expended for all those same purposes of that same fiscal period.

The legislature is now in session. It has the power to enact such laws as will prevent over-expenditure and deficit. When it declares that a certain amount shall be the amount to be expended in certain public structure, or for a certain public purpose there is no real doubt about it. No plan should be made by any state board, office or institution, which will require more than the amount appropriated to cover that purpose. The legislature is confronted by a policy of administration which has grown up in the state for seven years, under which many administrative officers have planned and have expended regardless of amounts appropriated by the legislature.

The laws which give some semblance of authority for a continuation of the policy should be so amended that the policy be at the same time dealt a death blow.

WILL THE LEGISLATURE CONTROL BY ABOLISHING POLICY?

STATE BUDGET OF ILLINOIS

An Example of an Executive Budget with Centralized Power over Expenditures to conform thereto.

THE First State Budget of Illinois, has been presented to this Magazine. The specific items, with details as to each, which appear respecting each public purpose and object of appropriation can only be appreciated when read in full. Space does not permit such a publication as will present those features in full. With the budget appears a recital in a summary way of what is termed "progress of two years," made in Illinois along lines of business methods applied to public business. Therefrom quotations are made as follows:-

"The preparation by the executive of a budget for submission to the Legislature is a new departure in this State. It is made possible only by reason of the progress this State has made, during the last two years, in financial administration.

The financial progress of this State may be summarized as follows:

(1) The enactment of the Civil Administrative Code, unifying and consolidating over a hundred independent agencies, welding their detached operations into a logical and harmonious system, all of their financial operations being supervised through the Department of Finance;

(2) The installation of a uniform system of bookkeeping, accounting and reporting for departments under the Code;

(3) The establishment of ten standard appropriation accounts;

(4) The institution of the departmental budget;

(5) The requirement of monthly reports of disbursements and encumbrances for each department and division;

(6) The establishment of a central purchasing agency;

(7) The computation of unit costs;

(8) The fixing of executive responsibility for expenditures through the approval of vouchers by the Finance Department;

(9) Procuring, digesting and analyzing the information concerning the financial needs of the State;

(10) A weekly meeting of heads of departments for the consideration of questions of policy involving all the administrative departments and thus creating an esprit d'corps among the administrative leaders;

(11) The preparation of the first State budget.

By reason of these policies administrative functions have been discharged with energy and force and with a minimum expenditure of public funds. The theory underlying these principles is not only economy of administration, but of executive responsibility. This State has attained both ends.

The accomplishments of the last two years mark a distinct advance in financial administration. The program was a difficult one, but it has been worked out in its substantial features, at least. It is susceptible of further extension and development.

All accounts and expenditures of the several departments are examined by the Department of Finance. Summary and controlling accounts are kept in the office of this department. No bill or voucher can be passed for payment without the approval of the Department of Finance, which has the power either to approve or to disapprove vouchers, A monthly report showing the amounts which have been allotted and expended for each purpose in detail, analyzed by objects of expenditure, is submitted to and kept on file in the Department of Finance.

It is thus shown that the responsible executive authority is at all times in possession of accurate reports showing the results obtained in operating and maintaining the various State activities. The expenditure of public funds and their accounting is an open book accessible at all times to the public. It has been said that "the greatest power to enforce responsibility would be through the possibility of making the acts of officers public."

"Prior to the enactment of the Code our laws contained few expedients to secure administrative responsibility. The Civil Administrative Code and policies instituted thereunder contains expedients by which executive responsibility is enforced and appropriations made by the General Assembly protected from abuse or misuse. By the creation of a central purchasing agency, a uniform method, plan or policy of purchasing supplies has been instituted. The State can take advantage of the economic laws of supply and demand. It can buy at wholesale rather than at retail. It has secured the usual trade discounts. As a protection to the State

for the disbursement of the hundreds of thousands of dollars by the State purchasing agency, we have the provision of the law that contracts "shall be let to the lowest responsible bidder." Through the devices contained in the Civil Administrative Code, any committee of the General Assembly, or any private citizen, wishing to know what is being done, what organization is provided for doing the work, what moneys are being expended, how they are being expended, how it is proposed that they shall be expended in the future by any department under the Civil Administrative Code, has this information accessible through accounts kept in the office of the Department of Finance. The devices above referred to have secured both economy and vigor of administration. This department, however, is persuaded that three other devices must be resorted to if the financial operations of the State are to be placed upon a sound and substantial basis. Reference is made to lump sum appropriations, the standardization of employments, and biennial appropriations. Our Constitution contains a clear differentiation between the functions of the legislative department and the executive department in the matter of the appropriations and expenditures of public funds. The Legislature "holds the purse strings." It determines all questions of policy which involve the expenditure of money. It should determine the character of expenditure and should approve a general plan of work, development or policy. Furthermore it must designate the administrative agency or organization through which money shall be expended or work executed. Stated in another way, the General Assembly is responsible for determining policies involving the expenditure of money. When the General Assembly shall have assented to the general policy of administration, such policy is committed to the executive department for execution. The executive department is responsible for the economy and efficiency with which the plans and policies of the General Assembly are carried out. Sound principles of administration, as well as good business policy, dictate that executive officials should be made responsible for contracts and purchases made in the execution of legislative policy. They should be given power under which the largest possible

(Continued on 'Page' Six)

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS' ASSOCIATION OF ARIZONA

Subscription February, 1919. 50 Cents

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Address all Communications to the Secretary,
31 West Washington street, Phoenix, Arizona

The Enormous Cost of War

United States Debt on Jan. 1, 1919

Pre-War Debt \$ 1,192,444,102.00
War Debt 20,255,241,755.00

Total Debt Jan. 1, 1919 \$21,447,685,857.00

Outstanding Loans to Allies
Jan. 1, 1919, (\$325,000,-
000.00 of this was to Rus-
sia) 8,585,523,702.00

Net U. S. Debt Jan 1, 1919.....\$12,892,162,155.00

The United States Entered the War, April 6, 1917

Total Government disburse-
ments for fiscal year end-
ing July 1, 1916 1,040,261,082.73

Total Government disburse-
ments for fiscal year end-
ing July 1, 1917 3,046,183,746.19

Total Government disburse-
ments for fiscal year end-
ing July 1, 1918 21,813,356,508.39

Estimated disbursements for
fiscal year ending July 1,
1919 20,000,000,000.00

It is estimated that the Government
disbursements for five years after July
1, 1919, will be at the rate of at least

(Continued on Page 7)

Governor's Special Message

ON the fifth of February, 1919, the Governor submitted to the Legislature the result of his investigations as to the then existing condition of state finances. Prior to that time he had requested reports from the State Auditor and from the Commission of State Institutions as to facts pertaining to those finances, as those facts might be disclosed from the records and books of each. In the message so submitted appears the official communications and replies thereto, with the figures therein upon which the message bases its statements. The facts will appear with a reading of the whole document which is printed in full below.

Those facts fully corroborate the statements many times published in this Magazine to the effect that departments and institutions have used all money in sight without reference to final results in overexpenditures, or in deficits of funds. Fully corroborates the claims made that expenditures have been made in total disregard of the amount of appropriations intended to cover a fiscal period, or intended to cover some special purpose in state activities. Fully corroborates the statements which have been published that funds actually intended for and appropriated for one public purpose have been used for other purposes. Fully corroborates the statements, that institutions have not only used the amounts which the Legislature intended to appropriate for the special purposes of some activity, but have used more and more funds under the "so much as may be necessary" phrases which have been discussed so many times. The whole situation as shown by the message and the reports made with it, show the imperative need of a budget system for the control of state finances.

The message itself is as follows:-

"SIRS:

In my message to your honorable body January 15th, 1919, I called attention to the confusion existing in the State's finances and also in the condition of the various State institutional funds. That the situation was serious I was then aware, even after a cursory investigation, but how serious I was not fully aware, until at my request, a detailed statement was furnished me several days since by the Commission of State Institutions. This statement shows

that nearly all State Institutions had, on the 31st day of December, 1918, either used their entire maintenance appropriations for the fiscal year ending June 30th, 1919, or had not sufficient funds to carry them through the balance of the fiscal year, and that various payrolls were being held up by reason of lack of funds. In other words, all money available for institutional activities of various kinds appropriated by the Third State Legislature for the fiscal year ending June 30th, 1919, was expended to date of December 31st, 1918, leaving a period of six months without any funds available at this time to maintain these institutions. In addition to this condition of affairs there now exists a deficit of \$44,251.60. As stated in the Commission of State Institutions' report, emergency appropriations totalling \$458,287.28 are absolutely necessary to tide them through the fiscal year.

A little history relative to the present financial crisis will prove not only informative but illuminative. Under an opinion of the Attorney General, rendered January 29th, 1918, that official advised the Commission of State Institutions that it was empowered under the law creating that body, in event funds appropriated by the General Appropriation Bill for the maintenance of various institutions were depleted, to meet the expenses of any State institution up to June 30, 1919, and thus avoid the use of state certificates of indebtedness. This opinion I am incorporating in full for your consideration."

(Copy)
OFFICE OF ATTORNEY GENERAL

Phoenix, Arizona,
January 29, 1918.

Commission of State Institutions,
Phoenix, Arizona.
Gentlemen:-

I have before me your letter of the 25th inst. informing me that the funds appropriated by the General Appropriation Bill for the maintenance of the State Industrial School are exhausted, and its payroll is being withheld from payment at present on that account. You also inform me that the amounts appropriated by the General Appropriation Bill for the Pioneers' Home and State Prison will also run short, as indicated by the expenses incurred in the support of said institutions since July 1st, last.

In such an emergency as now confronts us, I would refer your honorable body to Section 22, of the Act creating the Commission of State Institutions and giving it superior authority and direction over the various state boards and officers, therein mentioned, in all matters affecting the receipt or expenditure of funds; which Section 22 reads as follows:

"A sum of money sufficient to carry out the provisions of this act is hereby annually appropriated out of the general fund; provided, however, that this section shall not be effective after June 30th, 1919."

The above section quoted would seem to meet the present emergency, and would seem to infer that the Commission is thereby empowered to meet the expenses of any state institution, up to June 30, 1919, should the amounts set forth in the General Appropriation Bill fail to carry any state institution through to that time; and

Disclosing Depletion of State Funds

to avoid the use of state certificates of indebtedness.

Very respectfully,
(Signed) WILEY E. JONES,
Attorney General.

"Under the license granted through this broad and sweeping interpretation of the law by the Attorney General, the Commission of State Institutions felt privileged and did expend without reservation, and transferred money from one fund to another in reckless disregard of the safeguards which the Legislature aimed to throw around the several institutional funds of the State.

On January 11th, 1919, information having come to my attention through the presentation of warrants by the State Auditor, I refused to honor with my signature \$7,032.30 worth drawn upon the Deficit Fund of the State Industrial School, and on January 23rd, 1919, addressed to him the following letter, feeling that the Attorney General's opinion having served its purpose the facts be marshalled for presentation to your body."

"Then came the deluge. Inquiry developed a situation taxing one's credulity—funds not only exhausted in many instances, but payrolls held up for this reason.

On January 31st, 1919, warrants aggregating \$387,663.43 had been registered by the State Treasurer owing to a lack of money in the treasury to meet them. A further sum of \$148,000 could not be paid in January and will be registered this month,

and but very little money available from taxes until May of this year. The facts need no embellishment to convince you or the people for whom we are stewards, that the State has been run in a reckless and extravagant manner, and without thought of confining expenditures to the appropriations made to the Legislature of 1917. Deficits are the rule and not the exception. These deficits in connection with the State Industrial School, State Hospital for the Insane, Pioneer's Home, State Prison, Northern Arizona Normal School, and with the Tempe Normal had not \$1,896.79 been taken from the maintenance fund to complete the power house and other structures at that institution.

While not responsible for bringing about this condition of financial chaos and near-bankruptcy, I feel it incumbent upon me as the chief executive officer to lay the facts before you and call

attention to the imperative necessity of passing emergency appropriations immediately as set forth in the reports of the Commission of State Institutions which are attached hereto and made part of this message.

The necessity of an audit, such as I recommended in my message to you on January 15th, should be self-evident, and doubtless would develop some amazing and interesting things. At the same time I do not deem it out of place or improper in this connection to state again that until such time as a budget law is enacted there is small hope of the State being placed on a financial footing insuring the curtailment of expenditures within the bounds fixed by the State Legislature."

Respectfully yours,
THOMAS E. CAMPBELL,
Governor.

To the Members of
The Fourth State Legislature,
Phoenix, Arizona.

—o—
(Copy)
EXECUTIVE OFFICE
January 23, 1919.

My Dear Sir:-

Will you kindly furnish me at your earliest convenience, a detailed report showing the balances in the various departmental and institutional funds as of date of December 31, 1918, which show a deficit or which you judge by your experience in such matters, will shortly be in that condition, so that I may bring to the attention of the Legislature now in session the facts necessary to request some early action by it to the end that present deficits of said departments and institutions may be remedied by emergency appropriations to meet the necessary expenditures to the end of the fiscal year, June 30th, 1919.

Sincerely yours,
THOMAS E. CAMPBELL,
Governor.

Hon. Jesse Boyce,
State Auditor,
Phoenix, Arizona.

—o—
"In reply on the same date I received the following letter from the State Auditor."

—o—
(Copy)
Department of
STATE AUDITOR AND BANK
COMPTROLLER
Phoenix, Arizona.

January 23, 1919.

Hon. Thomas E. Campbell,
Governor of Arizona,
State House, Phoenix, Arizona.
My dear Governor:-

In reply to your letter of the 23rd inst. I refer you to the report of the State Auditor, dated January 15th, 1919, for the balances available under date of December 31st, 1918.

You now have in your possession \$7,032.30 worth of warrants made on the General Fund, account of the State Industrial School Deficit. These were written under the authority of Chapter 89, Laws of 1917, in accordance with the opinion of the Attorney General rendered January 29th, 1918.

At this date the following are the balances in the following funds:
Pioneers' Home Maintenance, over-

drawn	\$1,079.77
Asylum for the Insane Maintenance, balance on hand	60.04
State Industrial School Maintenance, balance on hand	261.70

For your information no more warrants will be written on the General Fund until such time as you have countersigned those you have on hand, and advise me what your disposition will be in the future regarding Chapter 89, Laws of Arizona, 1917, and the Attorney General's opinion on same.

In my opinion the University of Arizona is the only institution that will run until June 30th, 1919, within the appropriation as allowed by the Laws of 1917.

The Commission of State Institutions should be able to give you an approximate amount of an emergency appropriation required for each institution until June 30th, 1919. The only department that is out of funds at present is the State Board of Health, and I am of the opinion that Dr. Goodrich is going to ask for an emergency on this fund, while several of the departments, like your own and the Auditor's office, have insufficient funds to run them until June 30th, 1919, emergency bills have been introduced to take care of these departments until June 30th, 1919.

Yours truly,
(Signed) JESSE L. BOYCE,
State Auditor.

—o—
COMMUNICATION TO GOVERNOR FROM
COMMISSION OF STATE INSTITUTIONS, ATTACHED TO HIS SPECIAL MESSAGE.

January 30, 1919.

My dear Sir:-

In accordance with your request of January 23rd regarding the financial condition of the various State institutions, we hand you herewith statements of each institution and building fund requiring emergency appropriations to maintain the various State institutions from January 1st to June 30, 1919, and to complete buildings now under course of construction. Also the amounts expended during the first half of the fiscal year from July 1st to December 31st, 1918, showing the deficits and balances for the last half of the fiscal year to maintain the various institutions or to complete the buildings.

Capitol Building Addition Fund:	
Expenditures	\$111,721.00
Balance	13,279.00
Emergency Appropriation asked for	25,741.00

State Industrial School-Maintenance:	
Expenditures	\$ 54,690.29
Deficit	19,690.29
Emergency Appropriation asked for	30,000.00

State Hospital for Insane-Maintenance:	
Expenditures	\$101,092.00
Deficit	11,092.00
Emergency Appropriation asked for	75,092.00

State Hospital for Insane—Building Fund:	
Expenditures	\$ 8,016.13
Deficit	207.84
Emergency Appropriation asked for	9,357.84

Pioneers' Home—Maintenance:	
Expenditures	\$ 21,699.72
Deficit	3,699.72
Emergency Appropriation asked for	17,399.72

Pioneers' Home—Improvement Fund:	
Expenditures	\$ 7,068.00
Deficit	2,068.00
Emergency Appropriation asked for	2,068.00

(Continued on Page 8)

State Budget of Illinois

(Continued from Page 3)

returns are secured for a given expenditure of money, time and energy."

This Magazine has advocated the necessity for a budget law to be connected with the finances of state, county, city, and towns in Arizona, as a means of systematically outlining the plans of each as to their future activities which involve a use of public funds in such manner that those plans when executed will not result in unpaid public accounts,

nor in deficits over appropriations. Such a system as will include definite amounts to be first well considered as necessary to accomplish what may be reasonably and properly required to be done, a system which will include specific amounts first appropriated for the particular public purposes which are so planned for each distinct fiscal year. With such a system as will through placing supervision of actual expenditures made, and liabilities incurred in the execution of such pre-arranged plans as to public activities, that from such supervision the funds provided for each purpose will be sufficient for each purpose,

and deficits, excess of liabilities incurred over amounts appropriated, will not be possible.

Other states have adopted such systems. Other states have recognized the necessity of some centralized power to control expenditures and keep them within appropriations. Arizona is not in the same position respecting funding of necessary funds due to over-expenditures, and due to deficits—the other states have found themselves in the past. The remedies which other states have provided, are remedies worthy of serious consideration by the lawmakers of Arizona.

More Proposed Legislation Which Involve Appropriations

IN the last issue of the Magazine a synopsis was given of several proposed laws which if enacted by the present legislature would increase the amount of public funds necessary to give effect thereto, over and above the amount of funds now raised for existing public purposes in state and county affairs. With this article a similar synopsis is given of still more proposed legislation of similar nature.

House Bill No. 51 This bill is intended to provide for co-operation between the State of Arizona and the United States in the settlement of soldiers, sailors and marines, and others upon state lands and lands which may be acquired under the act. It provides for the creation of a commission to be known as the "Soldier Settlement Commission." A chairman of the board to be appointed by the governor with a salary of \$5000.00 per year for a five year term. Two other members, one of whom to be the President of the State University. It provides for the creation of a "Soldiers' Settlement Fund" (amount of which not stated in the printed act.) The purpose of the Commission would be to satisfy itself of the practicability of each project—reclamation of lands—is given power to acquire by purchase, gift, eminent domain, all lands necessary for the purposes of the act. The commission is also given power to undertake farm improvements, select settlers, train settlers in agricultural work, supervise short time loans from state funds, and collect funds.

House Bill No. 53 This bill calls for appropriations of \$167.25 for groceries and supplies furnished a posse in pursuit of Sisson, Powers and Powers, the

murderers of Sheriff McBride of Graham County; also garage bills to amount of \$315.00 in same matter.

House Bill No. 56. Calls for an emergency appropriation to amount of \$8,263, "to pay for Motor Vehicle License plates for year 1918-1919." The general appropriation bill of 1917, provided for \$7,500.00 per year for that same purpose, which evidently was not sufficient to meet extra demands for plates, and other expenses in that regard.

House Bill No. 57. This bill would extend state aid to every school district in the state which may organize vocational schools or classes giving instruction in trade or industrial pursuits, home economic or agricultural subjects. It provides for a reimbursement from any state of Federal funds, by the State Board for the Control of Vocational Education, of an amount equal to three-fourths of the school district expenditures for teachers' salaries in those lines. If this bill becomes a law the amount of the appropriation might be as indefinite as the language of Paragraph 2794 of Revised Statutes of 1913 is indefinite, where it says "A sum of money sufficient to carry out the provisions of this act is hereby annually appropriated out of the general fund of the state;" that being a paragraph also pertaining to the same subject as covered by proposed House Bill No. 57.

House Bill No. 58. This bill calls for an emergency appropriation to amount of \$6,000.00, "to pay for the necessary clerical assistance and contingent expenses in the office of the Superintendent of Public Health."

House Bill No. 62. This bill calls for an emergency appropriation to amount of \$2,550.95 for the purpose of paying all lawful claims against the Northern Arizona Normal School on account of services rendered and drugs furnished at the request of the Board of Trustees during the recent epidemic of Spanish Influenza.

House Bill No. 67. For the relief of McNeil Company, in payment of bills for supplies, stationery, office fixtures, etc. furnished during the years, 1915, 1916 and 1917, \$250.43.

House Bill No. 79. Calls for an emergency appropriation of \$500.00 to meet deficiency in funds for the necessary expenses of the State Treasurer's office to June 30, 1919.

House Bill No. 82. This bill provides for an increase of salary of deputy mine inspectors from eighteen hundred to twenty-four hundred dollars per year. Continues the same amount of fourteen hundred dollars per year for expense allowance to each inspector.

House Bill No. 84. This bill provides for the appointment by the Superior Court of each county of: "any number of probation officers." The chief probation officer to be paid a salary of eighteen hundred dollars per year. Appointees are to be paid actual expenses.

House Bill No. 87. This bill provides for the levy by cities and towns which lie within any reclamation project of tax to produce a fund for parks, playgrounds and community centers. The fund to be expended under the direction

the "Water Users' Association."

House Bill No. 88. This bill would increase the amount of juror's fees in justice courts from one dollar and fifty cents per day to three dollars per day.

House Bill No. 89. This bill relates to the fixing of salaries of justices and constables. It would fix the salary of justices in precincts where over two thousand votes are cast, at twenty four hundred dollars per annum. Leaving other salaries to be fixed by the board of supervisors as now.

House Bill No. 102. This bill carries appropriations aggregating \$30,000.00. The sum of \$15,000.00 for an artesian well in San Simon Valley, Cochise County. The sum of \$10,000.00 for investigating as to an irrigation project of the San Simon Creek. The sum of \$5,000.00 for settling White River to spread the waters over irrigation of Sulphur Springs Valley.

House Bills Nos. 104 and 105. These bills exempt honorably discharged soldiers and sailors from the payment of school and road taxes, generally referred to as "poll taxes," in addition to persons who were formerly exempted from such payments.

Senate Bill No. 46. Calls for an appropriation of \$10,000.00 for the purposes of the Sheep Sanitary Commission.

Senate Bill No. 47. Provides for a special appropriation of the sum of \$20,000.00 for the construction of a bridge and approaches thereto across Oak Creek, in Yavapai county, near Cornville post office. The construction to be done under the direction of board of supervisors of that county.

Senate Bill No. 48. Is a bill to appropriate the sum of \$10,000.00 to be expended by the Rocky Mountain Club of New York to welcome returning Arizona sailors and marines landing in New York.

Senate Bill No. 50. Is an act which provides for a levy in each county of our mills on the dollar of assessed valuation for the building and improvement of roads and bridges for the first year, and three mills per dollar for nine years hereafter. One half of this amount to be paid into the state treasury for state road fund, the other one-half to be retained by counties. This law would create road funds to amount of \$2,746,000.00 upon last valuations.

Senate Bill No. 58. Is an act for the relief of contractors on public work who have suffered losses on account of increases in cost of labor and materials due to war time conditions. It provides

for the presentation of such claims to the governing bodies of the different political subdivisions of the state, the allowance and payment thereof from public funds.

—o—

Enormous Cost of the War

(Continued from Page 4)

ten billions a year. Much of this expense will be due to the aftermath of war. All our wars have been followed by years of stupendous expenditures, and this will be no exception.

The people of the country have advanced through Liberty Loans (including all the 4th Liberty), War Savings and Thrift Stamps, \$17,546,561,788.00. All this money has been withdrawn from their working capital. The Tax Bill before Congress will raise about six billions a year through taxation. This will mean that many billions of dollars, probably fifteen billions more, will have to be raised from loans; that the net public debt will raise to twenty-five or thirty billions and the interest on it alone will aggregate over a billion a year. The prospect is appalling. The strain will be severe. It can and will be met, but to meet it care and retrenchment must be everywhere exercised.

Realizing that the financial burden of the war has by no means ended with the armistice, the question which the taxpayers of New Mexico have to answer is "To what extent shall the state enter upon a programme involving heavy additional tax burdens at home?"

The foregoing appears upon the front page of the New Mexico Tax Review in the January issue. The question which is asked, "To what extent shall the state enter upon a program involving heavy additional tax burdens at home," is a question to be considered by every state in the Union at the present time. The answer to the question so far as Arizona is concerned will be found in the laws which are enacted by the present Legislature.

Questions and Answers

Was Chapter 89, Laws of 1917 any authority for the action by the former Commission of State Institutions, prior to January first, 1919, or at any time, in ordering paid from the general fund of the State for the purposes of any institution in charge of that Commission, more money than the Legislature specifically appropriated for those purposes?

The Commission of State Institutions is nowhere in Chapter 89, Laws of 1917

which created it, **given any power to appropriate any money for any purpose at all connected with any institution whatever.** Its powers were confined to supervision of the funds which the legislature did appropriate for uses of institutions. The commission was specifically ordered to prescribe a uniform system of records and accounts for all institutions under it. The Commission is required to keep a complete set of books and accounts with each institution, which shall show every contract made, every appropriation by the Legislature for support of each institution, receipts from all sources, and every expenditure made for any purpose. The Commission is given general charge over the erection of new buildings and over all repairs and improvements of grounds and other properties **for which legislative appropriations are or shall be made.** The act of 1917 stops there. The 1917 legislature was confronted by a similar situation which now confronts the present Legislature. A situation involving deficits of funds, over expenditure for purposes beyond specific appropriations. No means of controlling that situation existing in the old laws, the Commission of State Institutions was created to be a check against that existing condition. It was created not to increase expenditures beyond appropriations of the legislature but to keep expenditures made, and liabilities created within those appropriations, and the purposes thereof. To hold that a commission created to stay the powers of institutions as to use of funds was by any implication actually given power to authorize expenditures without limit, would be to destroy the sole purpose of the legislature in providing the Commission with supervisory powers only. It is true that the amount of expenses which the Commission might necessarily incur due to a proper exercise of its supervisory powers over funds of institutions as to which it was given supervision, was an unknown amount. That the Commission might properly and fully exercise its powers of supervision and do the things expressly required to be done, the legislature did say in Section 22 of the Act:—"A sum of money sufficient to carry out the purposes of this act is annually appropriated out of the General fund; provided however, this section shall not be effective after June 30, 1919." Therein providing for the Commission itself and its expenses as such funds to enable it to execute its powers and perform its duties as defined in that act. The Legislature expressly repealed all acts and parts of acts in conflict with the provisions of Chapter 89, Laws of

1917, and by so doing expressed an intention to annul the effect of any act which permitted unrestrained expenditures for institutional purposes, regardless of the check imposed therein by that same act when it created the Commission of State Institutions.

This question must be answered, no. In explanation of that answer issue must be taken with an opinion of the Attorney General to the contrary.

Governor's Special Message Discloses Depletion of State Funds

(Continued from Page 5)

State Prison—Maintenance:	
Expenditures	\$ 90,230.73
Balance	9,767.27
Emergency Appropriation asked for	66,230.73
Northern Arizona Normal School—Maintenance:	
Expenditures	\$ 66,324.31
Balance	8,675.69
Emergency Appropriation asked for	48,000.00
Northern Arizona Normal School Building Fund:	
Expenditures	\$ 81,216.72
Deficit	6,216.72
Emergency Appropriation asked for	24,716.72
University of Arizona—Building Fund:	
Expenditures	\$ 56,475.02
Balance	43,524.98
Emergency Appropriation asked for	20,000.00
Tempe Normal School—Maintenance:	
Expenditures	\$ 87,334.31
Balance	27,918.39
Emergency Appropriation asked for	26,896.79

(The amount of \$26,896.79 was taken from the Maintenance Fund of the Tempe Normal to complete the power house and other buildings in course of construction last year.)

The total amount of the Emergency Appropriation we hereby ask for amounts to \$365,193.09. We are now forced to hold in the office of the Commission a number of payrolls unpaid for lack of funds.

Sincerely yours,

COMMISSION OF STATE INSTITUTIONS.

Hon. Thos. E. Campbell,
Governor, State of Arizona,
Phoenix, Arizona.

CAPITOL BUILDING ADDITION FUND

Appropriation, ...	\$125,000.00
Paid Claims and Known Expenditures, January 6, 1919, ...	111,721.00
Balance Jan. 6, 1919, ...	\$ 13,279.00
Estimated Cost for Completion, ...	39,020.00
Total Emergency Appropriation, ...	25,741.00

STATE INDUSTRIAL SCHOOL—MAINTENANCE

Appropriation 1918-1919, ...	\$ 35,000.00
Warrants held by Governor, ...	7,032.30
Bills and Claims held by Commission, ...	11,529.55
Bill in Transit, ...	1,128.44
Paid Claims and Known Expenditures, December 31, 1918, ...	54,690.29
Deficit, Dec. 31, 1918, ...	19,690.29

Emergency Appropriation for Jan. 1—June 30, 1919, ...	30,000.00
Total Emergency Appropriation, ...	49,690.29

STATE HOSPITAL FOR THE INSANE—MAINTENANCE

Appropriation, 1918-1919, ...	\$ 90,000.00
Bills held by Commission, ...	11,092.00
Paid Claims and Known Expenditures, December 31, 1918, ...	101,092.00
Deficit Dec. 31, 1918, ...	11,092.00
Emergency Appropriation, Jan. 1—June 30, 1919, ...	64,000.00
Total Emergency Appropriation, ...	75,092.00

STATE HOSPITAL FOR THE INSANE—BUILDING FUND

Appropriation, 1917-1919	\$ 15,000.00
Balance December 31, 1918, ...	7,808.29
Paid Claims and Known Expenditures January 20, 1919, ...	8,016.13
Deficit, Jan. 20, 1919, ...	207.84
Estimated appropriation required to complete present boiler house in course of construction, ...	9,150.00
Total Emergency Appropriation, ...	9,357.84

PIONEERS' HOME—MAINTENANCE

Appropriation, 1918-1919, ...	\$ 18,000.00
Auditor's Deficit, ...	1,079.77
Bills held by Commission, ...	2,619.95
Paid Claims and Known Expenditures, December 31, 1918, ...	21,699.72
Deficit Dec. 31, 1918, ...	3,699.72
Emergency Appropriations, Jan. 1—June 30, 1919, ...	13,700.00
Total Emergency Appropriation, ...	17,399.72

PIONEERS' HOME—IMPROVEMENT

Appropriation, 1917-1918, ...	\$ 4,000.00
Appropriation, 1918-1919, ...	1,000.00
Total	5,000.00
Paid Claims and Known Expenditures, December 31, 1918, ...	7,068.00
Deficit, Dec. 31, 1918, ...	2,068.00
Total Emergency Appropriation, ...	2,068.00

STATE PRISON—MAINTENANCE

Appropriation, 1918-1919, ...	\$100,000.00
Paid Claims and Known Expenditures, December 31, 1918, ...	90,230.73
Balance, Dec. 31, 1918, ...	9,769.27
Emergency Appropriation for January 1-June 30, 1919, ...	75,000.00
Total Emergency Appropriation, ...	66,230.73

NORTHERN ARIZONA NORMAL SCHOOL—MAINTENANCE

Appropriation, 1918-1919, ...	\$ 75,000.00
Paid Claims and Known Expenditures, December 31, 1918, ...	66,324.31
Balance Dec. 31, 1918, ...	8,675.69
Emergency Appropriation, Jan. 1—June 30, 1919, ...	48,000.00
Total Emergency Appropriation, ...	48,000.00

NORTHERN ARIZONA NORMAL SCHOOL—BUILDING

New Auditorium Annex Building	
Appropriation, 1918-1919, ...	\$ 75,000.00
Bills held by Commission, ...	6,216.72
Paid Claims and Known Expenditures, December 31, 1918, ...	81,216.72
Deficit, Dec. 31, 1918, ...	6,216.72
Estimated Cost for Completion, ...	18,500.00
Total Emergency Appropriation, ...	24,716.72

UNIVERSITY OF ARIZONA—BUILDING FUND

Appropriation, 1918-1919, ...	\$100,000.00
Paid Claims and Known Expenditures, January 25, 1919, ...	56,475.02
Balance, Jan. 25, 1919, ...	43,524.98

Estimated amount required to complete and furnish present building under construction, ...	20,000.00
Total Emergency Appropriation, ...	20,000.00

TEMPE NORMAL SCHOOL—MAINTENANCE

Appropriation, 1918-1919, ...	\$110,000.00
Credit transferred by Auditor, ...	5,252.00
Total	115,252.00
Claims Paid and Known Expenditures, December 31, 1918, ...	87,334.31
Balance, Dec. 31, 1918, ...	27,918.39
Amount of \$26,896.79 spent from Maintenance Fund to complete building at Tempe Normal.	
Emergency Appropriation, Jan. 1—June 30, 1919, ...	26,896.79
Total Emergency Appropriation, ...	26,896.79

February 3 1919

My dear Sir:

We desire to further call your attention the condition of various funds not mentioned our letter of January 30th, 1919, which show have emergency appropriations to enable the institutions operating under these funds to make certain improvements of which they are sad in need.

The following improvement funds are either exhausted or have such small balances that improvements of any kind cannot be made:

ARIZONA HOSPITAL FOR INSANE—IMPROVEMENT FUND

Balance, Jan. 1, 1919, ...	41.00
Emergency appropriation asked, estimated by Dr. Cummins	81,817.10

STATE PRISON—IMPROVEMENT FUND

Appropriation, ...	\$ 12,000.00
Balance, Jan. 1, 1919, ...	.01
Emergency appropriation asked	6,000.00

STATE PRISON—FARM EQUIPMENT FUND

Appropriation, ...	10,000.00
Exhausted Jan. 1, 1919. No funds.	
Emergency Appropriation asked	4,000.00

STATE PRISON—FARM FUND

Appropriation	\$ 40,000.00
Balance, Jan. 1, 1919, ...	1,981.50
Emergency appropriation not estimated.	

TEMPE NORMAL SCHOOL—BUILDING FUND

Appropriation	\$ 50,000.00
Deficit, Jan. 1, 1919, ...	5.00
Sum of \$26,896.79 paid out of School Maintenance Fund to complete Heating Plant and Boys' Dormitory.	

TEMPE NORMAL SCHOOL—IMPROVEMENT FUND

Appropriation, ...	\$ 37,500.00
Balance, Jan. 1, 1919, ...	46.70
This fund with the \$26,896.79 taken from Maintenance Fund, used to complete Heating Plant and Boys' Dormitory.	

TEMPE NORMAL SCHOOL—GROUND IMPROVEMENT FUND

Appropriation	\$ 2,500.00
Balance, Jan. 1, 1919, ...	239.40
Known outstanding obligations	239.40
Fund Exhausted.	

UNIVERSITY OF ARIZONA

CENTRAL LIGHT AND POWER PLANT

Deficit, Jan. 1, 1919	\$ 1,272.00
This will make a total Emergency Appropriation to the amount of \$458,287.28. We find that in addition to spending the entire appropriations for the various State Institutions for the fiscal year ending June 30th, 1919, there is now existing a deficit of \$44,251.60.	

Yours sincerely,
COMMISSION OF STATE INSTITUTIONS.
Hon. Thos. E. Campbell,
Governor, State of Arizona,
Phoenix, Arizona.

ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME SIX

PHOENIX, ARIZONA, MARCH, 1919

NUMBER THREE

Irrigated Lands or Subject Thereto

Year	Number of Acres	Average Value per Acre	Total Valuation	Percentage of Total State Valuation
1913	.....	.....	28,077,038.00	7.47
1914	378,956.81	\$ 77.29	29,289,571.90	7.19
1915	348,356.65	78.98	27,512,752.20	6.54
1916	364,227.32	74.49	27,129,944.80	5.58
1917	437,026.00	74.08	32,376,580.50	4.64
1918	424,600.46	101.32	43,022,573.50	5.16

EDITORIAL COMMENT

Controlling Expenditures of State Funds

SINCE statehood the amount which has actually been expended in connection with the activities of the various state agencies in charge of state affairs has been determined not by the amounts which the several legislatures had in mind as the amount to be expended by each, but an amount determined by the ideas of the agencies as proper and necessary to the particular public objects of each such agency.

When the legislature which has just adjourned, commenced their work of providing for future support of state institutions, offices and commissions, it was first confronted with many emergency measures presented and necessary to provide funds for actual maintenance of many of those same institutions, for the remainder of the present fiscal year. They found maintenance funds exhausted and in a state of deficit. They found prior expenditures from amounts provided in the first instance for "maintenance of institutions" included without discrimination in the amounts actually used for new equipment, new improvements, and additions. That all funds without regard to designated purposes thereof, had been scrambled together and used for the first actual payments for any purpose of an institution, regardless of the original purpose for which funds were provided and appropriated. It found that maintenance funds had been used with no regard to any proportion of expenditure therefrom, as compared to a twelve-month period of a fiscal year, or as compared even to the monthly periods of the whole bi-ennial period covered by the appropriations made in the 1917 appropriation bills, and there intended to provide sufficient funds to carry the expenses for fiscal years of the bi-ennial period then provided for by appropriations.

The Legislature was forced to come to the rescue, or the inmates of state institutions would go hungry before July first, 1919, and the necessary help and attendants go without salaries during that same period. It made the emergency appropriations. The whole situation could not be handled without so doing.

That situation was not dissimilar to actually existing situations which have

existed in previous years. The only difference was that heretofore the facts had not been so forcibly brought out and made known to legislatures of previous years. The change in the administration of state affairs called for a balance sheet of state finances. That balance sheet disclosed facts which the absence of balance sheets in previous years, left undisclosed. The situation of those years was cared for by increased appropriations—constantly increasing from year to year—and the public was left to ponder upon the unexplained reasons for such increased cost of their institutions, when that same public could not see a corresponding necessity when the accomplished results of activities of institutions, or their actual growth was considered.

The legislature considered this whole situation. It acted upon it when it enacted two laws. Senate Bill No. 30, (the budget Bill) and Senate Bill No. 90, were intended to put a stop to practices and policies which in the past had made possible situations which confronted the legislature when it first convened.

Each of these bills were introduced early in the session. Each was printed, widely circulated, and discussed by the press and the public. Their provisions were plainly stated, their intended effect fully known and considered. When final vote was taken by the legislature thereon, that vote was taken by a legislature fully advised in the matter. There was no hasty, "eleventh hour" action taken upon them. Both Bills were as calmly, carefully, and deliberately considered, as any and all proposed legislation should be so considered, before passage.

In a previous issue of this Magazine an outline of Senate Bill No. 30 was given and it was finally passed with all essentially vital points preserved as there outlined and set out in full.

Senate Bill No. 90 is entitled: "An act to so regulate the disposition of state revenues as to prevent a misuse thereof by any officer, board, department, commission, institution, or other state agency; providing for the distribution of all revenues to the credit and for the use thereof limited to the special ob-

jects and purposes of each appropriation of amounts not to exceed such appropriations; prohibiting activities which will create deficits, debts, or liabilities in excess of specific appropriations for any object or purpose; providing for an emergency fund; providing for the punishment of officers who violate the provisions of the act; repealing specific paragraphs and sections of the Revised Statutes of Arizona, and all acts and parts of acts in conflict with the provisions of this Act." That title seems to be plain and comprehensive in its meaning. The provisions of the act itself are equally plain.

Before final action was taken upon the Bill, certain objections were made to it. Those objections were—briefly stated—that the bill was not elastic, that it left no room for meeting situations where actual necessities might arise requiring over-expenditures, beyond funds appropriated or beyond amounts of revenues, which in addition to specific amounts named, would become parts of funds set aside for stated public purposes. The proponents of the bill answered those objections. That answer was, in substance, that the officers in charge of institutions know what the amount of appropriations are, know from previous results what other revenues will or may be, that as between the old situation to be remedied, and a new situation to be created; legislative designation of amounts to be used, as against unrestrained expenditures by administrative officers, there could exist no middle ground, and officers must so plan their activities that the same may be conducted within the limits, and in no event go beyond the limits of legislative provisions for any public purpose or object requiring expenditure.

Arguments against the bill, based upon similar reasons as above were met with still further answer. That answer was, that if the legislature, with the figures as to the actual cost of maintaining any state institution for a period of seven years under statehood, could not estimate with reasonable certainty as to the amounts actually needed, that appropriations may be made of an amount sufficient to meet every requirement of necessary and ample support

of each institution, for each of a two year period to be covered with appropriations in a general appropriation bill.

This Magazine does not claim that situations may not arise in which a strict and literal application of the language of Senate Bill No. 90, may seem to hinder a continuance of state activities along old and established lines as to the manner of their conduct. It may be necessary to "slack up" a little at times until the period arrives when appropriations are available in funds to meet further requirements. Such situations will be an exception, rather than the rule. Such situations may be met without destroying the real intent of the law, if its provisions are liberally construed, with such a construction of those provisions as will prevent absurd results, such as a possible stopping of activities entirely, in cases where appropriations are actually "in sight," as against activities which have not only exceeded the appropriations "in sight," but have already taken the shape of debts created

to be provided for in emergency acts of future legislatures.

It may be suggested that the provisions of a general law can never be so worded that it will cover all possible situations. It may be further suggested that Senate Bill No. 90 should be read and studied in connection with each remaining special law which relates to special public purposes and objects, special funds provided for those special objects, and then before arriving at conclusions, consider just how far effect may still be given to the provisions, and still preserve controlling effect of the general law as applied generally thereto, that united effect be given to each, the one not wholly in conflict with the other, but consistent therewith, but finally preserving as to Senate Bill 90, its intent to provide against future over-expenditure, future debt-creating and deficit-making, due to acts of officials.

The results of the old policy are actually known results. Those results are

known to have been inconsistent with good business principles as applied to public finances. The basic idea of the new policy is perfectly consistent with rules which apply to good business. That rule of planning a course of action within the limits of money which can be devoted to that action, used and applied thereto, without straining the finances of a business, or possibly wrecking it entirely with debts and liabilities. On the one hand an unlimited supply of money leads to extravagance, on the other, a limited and known supply leads to planning to get along within means and bounds of incomes and revenues. The legislature has discarded the first with its known tendencies. It has installed the other as a new policy for the state, and whatever may be urged against that policy is more a matter of conjecture and guess, to be met with the wisdom of the practical rule of every day life, "live within your means and income," as applied to public affairs.

THE QUESTION OF HIGHWAY FUNDS

OUR space at this time will not permit exhaustive reference to the United States Rural Post Road Laws, under which and under certain conditions the State and its counties will have available for use in highway construction, funds provided by the United States government in addition to funds provided by the State of Arizona and its Counties. The actual amounts which will actually be available from that source is controlled by several acts of Congress increasing appropriations for Post Road purposes. The amount of United States funds available will be made the subject of an article in the next issue of the Magazine.

In its essential provisions, the act of Congress referred to, makes those funds available, and when so accepted by the Legislatures, are used and available in co-operative action by the State Highway Department, (if it has such a department) and if not, then the Governors of the States can, so far as the United States authorities go, act for the State, in the matter of that co-operation. There can be no doubt that the State of Arizona has a highway department sufficient to satisfy the requirements of the acts of Congress in the whole matter of

road funds and it is also a fact that the Legislature of 1917 did accept the benefits of those Congressional provisions when it enacted Chapter 25, of the Session Laws of 1917. In that law it is stated, "The State Engineer, without the approval of State Board of Control, is hereby authorized to enter into all contracts and agreements with the United States Government relating to the survey, construction and maintenance of roads under the provisions of the act of Congress. For the construction and the maintenance of Rural Post Roads, the good faith of the State is hereby pledged to make available, funds sufficient to equal the sums appropriated to the state by or under the United States Government, during each of the five years for which Federal funds are appropriated."

The Legislature in 1917, provided a continuing appropriation to an amount of ten cents per hundred upon all of the taxpaying property of the State. Under this act, \$834,000.00 was raised for the State Road Tax Fund in 1918 and this amount will be increased from year to year in the same proportion that the existing valuation of the property of the State increases in amount. In ad-

dition to that, a continuing appropriation of \$60,000.00 per year is made for the support and maintenance of prisoners while engaged in State Road construction. In addition to these sums, the Legislature specifically appropriated \$200,000.00 to cover Post Road funds to be apportioned to Arizona for 1919. In addition to all these amounts, the revenues to the State from the Motor Vehicle License Collections will be added. These collections will run from \$150,000 to over \$200,000 per year. There is still another source of revenue to roads in the State, which comes from the distribution of sales of timber in the Forest Reserves. These sales amounted in round numbers to \$94,000.00 last year, and may be apportioned by the Boards of Supervisors of the Counties, in such amounts between school funds and road funds as the Supervisors determine.

To all of these amounts will be added the County levies for road purposes and the amounts of special bond issues which may be authorized in Counties and road districts of the State for road purposes.

The conditions which will surround
(Continued on Page Four)

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS' ASSOCIATION OF ARIZONA

Subscription March, 1919 50 Cents

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Address all Communications to the Secretary,
31 West Washington street, Phoenix, Arizona

The Question of Highway Funds

(Continued from Page Three)

the expenditure of all of the above funds by the various agencies, having power to spend, are fixed by laws already in the State Code.

With the whole situation fairly analyzed, the State of Arizona will have more funds to be devoted to highway construction than ever before, and it remains to be seen whether or not those funds will not in fact be sufficient to finance such an amount of highway construction as can be properly supervised and constructed during each of the coming two years.

In the figures which we have given above we have made no mention of a special appropriation of \$100,000 towards construction of a highway from Miami to Superior, nor has any mention been made for bridges and the like, all of which appear in the table, showing the appropriations which is published in another portion of this Magazine.

From California Taxpayers' Journal

AMERICA astounded the world by the rapidity with which she got on to a war basis, and she is astounding herself by the rapidity with which she is returning to what has the outward appearances of a peace basis.

And yet, while the armistice probably meant the return of peace, so far as armed conflict between the great nations is concerned, some of the important elements of a stable internal peace, in this country as in others, are wanting. It is perhaps proper to say that while we have an outward and visible peace, we have an inward and visible, as well as invisible, unrest.

Unemployment, strikes, class outbreaks, financial readjustments, the "change-over" from war work to peace work, uncertainty as to the future relations between the federal government and the great public utilities, the necessity for additional and enormous drafts by the government upon the financial resources of the people—these are among the factors which go to create a perplexing situation, which, while by no means hopeless, never-the-less challenges the most earnest and anxious thought of all who have the welfare of the nation and its people closely at heart.

We are, indeed, plunged into a period of general and sweeping readjustment, economic, political and social; and it would appear to be a time for careful conservative action upon the part of all interests, personal, associate, corporate and governmental.

Prior to the war our states, counties and municipalities were adopting costly and expensive programs of improvement. Vast bond issues were voted for all sorts of works and projects. Taxpayers everywhere were just awakening to a realization of the heavy burdens they were assuming.

The necessities of the federal government for money in unprecedented volume led to the organization of the Capital Issues Committee, which undertook to restrict capital issues and to confine them to purposes deemed essential. The Committee did effective work, and, with the cooperation of public officials, as well as corporate officials, held bonding and other projects closely in check.

The Committee, however, has disban-

ded. The quick and enthusiastic imagination of the American people conceives peace and normal times; and in consequence the existing signs point to an early and immediate resumption of heavy spending, at least upon the part of the states and their several political subdivisions.

A survey of the press makes it clear that bond issues are being submitted, or prepared for submission, by the score. Works and projects held in abeyance during the war are being revived and advocated. Argument is heard to the effect that the public owes it to the returning soldiers to provide jobs. The advisability of development to meet new conditions is suggested, and so on. Some of the arguments, no doubt, are sound. Some of them are not.

One thing is certain. The tax burden of those who support local governments is very heavy. In many quarters it has advanced steadily, even during the war. The cost of carrying on ordinary operations has increased. Salaries have been raised. The price of supplies has soared. On top of the cost of local government, the federal government is piling taxes heavier and farther-reaching than the people of this country have experienced heretofore.

In view of these conditions, it may be suggested, with the most positive emphasis, that illconsidered projects for increasing taxes and expanding the public debt burden are not to be lightly tolerated. The legislature, county boards of supervisors, municipal councils and all other governing bodies owe it to their constituents at this time to proceed cautiously; to examine carefully, as to its real necessity, every proposal for the expenditure of money; to decline to be influenced by emotional or over-enthusiastic demands, and to restrain themselves from being hurried into extravagances, or the adoption, even of constructive programs, which are not urgently required to serve the public welfare.

The sea we sail is not impassable; but it is turbulent, never-the-less. Let us sail steadily and conservatively, and not rock the boat until we have a clear horizon and calmer waters.

Matters Pertaining to Appropriations of Fourth Legislature

WHEN Arizona entered the Union as a state, its first Legislature was confronted with the proposition of creating new boards and new commissions which were to take up the work incident to the necessary public activities of the new state. The extent to which these activities would go, the amount of expenses to be incurred that proper activities be adequately financed was another matter of uncertainty. To meet these uncertainties that first Legislature created the commission, in a general way outlined the powers and duties of each, and then provided that so much as might be necessary to carry out those powers and duties should be paid out of the general fund.

In some instances the Legislature did set a limit beyond which expenditures could not go. In other instances, it provided that the salaries should be fixed at amounts fixed, and left the type of activities to become limited by the amount of revenues collected in connection with the business of the commissions.

In many instances that first Legislature prescribed the number of deputies and assistants to be employed in various offices, with an amount of salary fixed for each employee.

Subsequent Legislatures have attempted to limit the amount to be expended for the support of the public work of each institution, board and commission, by language in general appropriation bills.

Have also in those bills made provision for additional assistance in the various offices, by making specific appropriations to be for salaries and expenses of more assistants than mentioned in the original acts creating the offices themselves.

Side by side with the lists of salaries so provided for in the general appropriation bills of each year, stood the so much as may be necessary clauses of the old enactments, and became the means of adding to the pay rolls of offices still other assistants than were actually mentioned either in the creative acts or in the general appropriation bills.

A bird's-eye view of the results of all the above appears from the figures which are listed below. Those figures so far as the salary lists appear therein, show first the references to paragraphs of the Revised Statutes of 1913, and to later acts which created offices and fixed the number of assistants, with the amounts of salaries; show next the salary lists as provided for in the general appropriation bill of the 1917 Legislature, and finally the salary lists mentioned in the 1919 general appropriation bill. To be accurately advised as to the original situation, readers who may be inclined towards such information as cannot be fully included in a comparative table of figures, should refer to the laws referred to.

The same table of figures gives also comparisons as between the appropriations made to cover the fiscal year 1918-1919, as compared with the appropriations made for the two years commencing July first, 1919.

The same table continues with amounts of special appropriations made in special bills, including special relief bills which carry appropriations.

The same table shows the amounts of continuing appropriations which call for annual levies for purposes as to which the general appropriation bills are silent, or as to which further amounts are therein provided for. In some instances the table shows no items under the heads for future years as to such continuing appropriations. That absence does not mean that no amount will be raised for the purposes, simply means that the amount to be raised will be later fixed by the State Board of Equalization when tax levy is made.

The table gives no totals. Intentionally it is presented in a form to call attention to differences in amounts as directly connected with special objects and subjects of appropriation, rather than to give aggregate totals to comprise all appropriations, which if now given might cause confusion when such totals were to be compared with tax levies in an amount to be hereafter determined.

Appropriation Bill of 1919, Compared With Salary Laws and Prior Appropriation Laws

ARIZONA CORPORATION	Salary Law	1917 G.App.Bill	1919 G.App.B.
Commission			
Members (3)	9,000.00	9,000.00	9,000.00
Secretary	See Pars.	2,400.00	
State Expert	2271, 2273	2,400.00	} One item for all these
Reporter	2281, 2282	2,400.00	
State Clerk	2286, 2287	1,800.00	
Sec. Dept. (Chief Clerk)	R.S. 1913	1,800.00	
Sec. Dept. (4 Clerks)	S.L. 1915	4,320.00	40,120.00
Contingent Expense	p. 85		
ARIZONA HISTORIAN	9,000.00	24,120.00	49,120.00
Par. 128, R.S. 1913)	2,400.00	2,400.00	2,400.00
Off. Ex., Trav. Ex., and other Ex.		Printing 7 Vols.	
Securing Data, Compiling and Classifying	(S.B. 107)	2,250.00	
Actually and necessarily)	1,800.00	5,000.00	7,000.00
DEPT. OF AGRI. AND HORT.	4,200.00	9,650.00	9,400.00
Par. 3313			
Par. 3304, 3308, and H.Bill	R.S. 1913		
111, of 1919 Par. 3313)	Limits to	21,000.00	31,675.00
Law, Subd. 5a, Automobile upkeep			2,000.00
		12,000.00	21,000.00
			33,675.00

ARIZONA PIONEER'S HISTORICAL SOCIETY	1,275.00	1,325.00
ATTORNEY GENERAL'S DEPT.		
(Pars. 109, 110, 111, 112, and Fed. Suits, 243, R.S. 1913) (Chap. 61, S.L. 1917)		
Salary	4,000.00	(Fed. Suits) 7,200.00
Ass't Att'y Gen'l	2,500.00	2,500.00
Stenographer	1,200.00	1,200.00 (2) 5,400.00
Law Clerk	1,800.00	1,800.00
Nec. Ex. printing, traveling, stationery, Off. Rent	1,800.00	1,000.00
Att'y for Cor. Com.		2,500.00
(1919 App. B. leaves only one Ass't and a law clerk for Att'y General)	11,000.00	11,400.00
STATE AUDITOR'S DEPT.		
(See Par. 87, R.S. 1913)		
Salary (Chap. 61 '17)	3,000.00	3,000.00
Salary, deputy		2,700.00
Salary, one Bookkeeper		1,800.00
One Warrant Registrar		2,400.00
3 Warrant Registrars		4,500.00
One Stenographer		1,200.00
Contingent Expense		2,000.00
	3,000.00	12,800.00
BANK EXAMINER		
(See Par. 286 R.S. 1913, as to source of office)	(1)	2,400.00
Ass't Bank Examiner (New)		3,000.00

(Continued on Page Six)

Off. Exp. Bank Examiner	500.00	1,000.00	hire, postage, Trav., printing, and Offic. Exp.	2,800.00	No App. in 1917 Bill	7,000.00
Trav. Exp. Bank Exm. and Ass't.	2,250.00	4,000.00	Salary (3) deputies	5,400.00		
	5,150.00	11,000.00	Trav. Exps. Ea. not to Ex. 1400. (See New 1919 Law H.B. No. 82)	4,200.00		
BOARD OF BAR EXAMINERS (See Par. 264, 267)	Per Diem	250.00	400.00	Salary deputies, each	2,400.00	7,200.00
BOARD OF DENTAL EXAMINERS (See Par. 2854)	Per Diem	1,000.00	1,000.00		17,800.00	3,000.00
DEAF & DUMB DEPT. U. OF A. (See Par. 2854)	5,000.00	15,000.00	31,550.00	STATE TAX COMMISSION (Chap. 61, Laws 1917)	(1917)	(1919-20) (1920-21)
BOARD OF PARDONS (P.C. Par. 1301 1915 Ref p. 3)		1,000.00	(C.A.)	Salaries 3 members	9,000.00	9,000.00
GOVERNOR'S OFFICE Salary (Chap. 61, '17)	4,000.00	4,000.00	6,500.00	House Bill 185—Secretary	2,700.00	2,700.00
Salary Secretary (55)	2,400.00	3,000.00	3,000.00	Clerk	1,500.00	1,500.00
Contingent Expenses	(no)	4,000.00	6,000.00	All other help	3,600.00	3,600.00
Clerical Assistance	5,000.00	6,500.00	4,000.00	Contingent Exps.	3,500.00	3,500.00
Budget Bill 30	150.00	400.00	400.00	(Par. 4833 R.S. 1913, Necessary)	(O.A.)	
Governors Conferences	1,000.00	1,000.00		(No Genl. App. 1919)		
Proclamations				Bd. of Equalization Exp.	1,200.00	1,200.00
Rewards for Criminals (P.C. 1413) (Not to exceed \$1,000.00, each case)	1,000.00	1,000.00			17,800.00	21,500.00
Chauffeur and auto upkeep (New)		3,600.00		STATE TREASURER'S OFFICE (Par. 95 R.S. 1913. Chap. 61, S. L. 1917)		
	6,400.00	18,150.00	32,100.00	Salary	3,000.00	3,000.00
INSPECTOR WTS. & MEASURES (Par. 5511)	2,000.00	2,000.00	2,000.00	Salary Deputy. Treasurer	1,500.00	2,400.00
Clerk of (Sums appropriated)	1,200.00	1,200.00	1,200.00	Office Expense	(No)	500.00
Expenses (Sums appropriated)	(open)	1,500.00	1,500.00	Stenographer	(No)	1,200.00
	2,000.00	4,700.00	4,700.00	(In 1918, Employed Stenographers, one each charged to Inheritance Tax Fund, Par. 5033)		
LAW AND REF. LEG. LIBRARIAN (Sec. 13, p.137 S.L. 1915)	2,400.00	2,400.00	2,700.00	State Loan Board Expense		2,400.00
Assistant	(None)	1,200.00	1,800.00		4,500.00	9,500.00
Clerical Assistance	(None)	1,200.00	1,200.00	STATE VETERINARIAN (Par. 3690 R.S.1913)	1,800.00	1,800.00
	2,400.00	3,600.00	5,700.00	Contingent Expense	1,250.00	1,500.00
NATL. COM. UNIFORM LAWS (Par. 129 R.S. 1913)	(G.A.B.49)	375.00	150.00	Trav. and Office Exps.	1,500.00	1,500.00
LIVE STOCK SANITARY BOARD (Par. 3710 R.S. 1913)				Mileage (Par. 3690, 10c per mile actually traveled.)	1,800.00	4,550.00
Salary of Secretary	1,800.00	2,400.00	2,400.00	STATE BOARD OF HEALTH (Pars. 4367, 4372, 4406, R.S. 1913)		
Recording Clerk	1,200.00	1,800.00		Salary of Supt. of		1,000.00
Brand Clerk	Balance	1,500.00		Office Exps. Supt. of	(Par. R.S.)	3,000.00
Bookkeeper	to	1,200.00	1,800.00	Supt. as Reg. of Vital Statistics, (Mileage, 4372)	1,800.00	1,800.00
Stenographer	be fees etc.		1,500.00	Salary of	1,000.00	1,000.00
Trav. Ex. of Secretary				Director of Venereal Diseases		5,000.00
Off. Exp. and Printing		2,000.00	2,625.00	Director of Nurses, Etc.	(5)	1,500.00
Per Diem and Mileage, members... (See also H.Bill No. 64 for appr.)		1,000.00	1,000.00	Director of Rural Sanitation		1,500.00
Expense Rebrand Law			4,350.00	Bulletin and Publicity, Supt. of Public Health		2,200.00
	1,800.00	9,300.00	15,475.00	P-blic Health Lectures		1,000.00
SECRETARY OF STATE (Chap. 61 S.L. 1917)				Clerical Force Off. Supt.		3,000.00
Ass't Secretary Salary		3,500.00	3,500.00	SUPERIOR COURT JUDGES (STATE)		6,800.00
One Stenographer	(2)	1,200.00	1,500.00	(Chap. 61, S.L. 1917 — Lyman \$4000.00)		21,900.00
One Stenographer		1,200.00	1,500.00	SUPREME COURT JUDGES (Chap. 61, S.L. 1917 — Lyman \$4000.00)		27,400.00
1920 Referendum Expense		7,000.00	7,000.00	Clerk	15,000.00	15,000.00
Contingent Exp. and Ptg. "State Const."		2,500.00	2,500.00	Stenographic Assistance	2,700.00	2,700.00
Tags, No. Plates and Exp. issuing Motor V. Licences	(3)	15,000.00	25,000.00	Reporter of Decisions	3,600.00	5,000.00
Cashier Motor V. Dept (2 yrs.)		1,200.00	1,800.00	Contingent Expenses	1,000.00	1,200.00
Rate Clerk M.V. Dept (Gen. Ap. '17)		750.00	2,000.00	Bailif for (New) (Unex. year)	400.00	1,200.00
Add. Clerical, M.V. and Publicity Pamphlets 1920-21		2,000.00	2,000.00	Sup. Ct. Commers. (379 R.S. '13) (C. A. \$5.00 per diem)	1,000.00	
Publ. Session Laws 1919			500.00	Printing and Pub. Reports Sup. Ct. (C.A. Amt. to pay for)	750.00	750.00
Publ. Addl. Copies 2nd Leg. Laws		36,750.00	52,300.00		25,450.00	26,850.00
SHEEP SANITARY COMMISSION (Par. 3808 R.S.1913. ALL \$3,500.00 out of Genl. Fund)				CAPITOL BLDG. AND GROUNDS (Pars. 4458-59, 4460 of R.S. 1913, open Appro.) (No Appro. for 1918)	125,000.00	45,000.00
Secretary and Expenses		5,000.00	4,500.00		125,000.00	75,000.00
STATE EXAMINER (Par. 123 R.S. 1913)				COMMISSION OF STATE INSTITUTIONS (Abolished 1919) Salaries 3 Members	9,000.00	1918 Levy 9,000.00
Salary	2,500.00		2,500.00	Salary Secretary	2,400.00	2,400.00
Contingent Fund	1,200.00		1,200.00	General Expenses	(Open)	71,567.00
Clerk Hire	400.00			DIRECTORS OF STATE INSTITUTIONS (Sub. S. Bill No. 19)	11,400.00	82,967.00
Salary Deputy Exr.		1,500.00	2,100.00	Director Salary	4,800.00	All included in 25,000.00
Trav. Exp. Examiner		1,600.00	1,600.00	Purchasing Agent	4,800.00	(6)
Trav. Exp. Deputy Examiner		1,500.00	1,600.00	Other Assistants and Exps.		9,600.00
Stenographer		900.00				25,000.00
	4,100.00	5,500.00	9,000.00	DIRECTOR OF VOCATIONAL EDUCATION (S.L. 1917 p. 58, Act of Congress Apprvd. Feb. 23, 1917, Bd. of Ed. is co-Operative Bd. with U. S. Bd.)	15,000.00	(All purposes)
STATE LAND DEPT. Maintenance and Salaries	(Selections)	35,000.00		Salary of Director—None		
	(Gen'l Exp.)	35,000.00	55,250.00	Clerical Assistance, Trav. Exp. and Contingent Exp. of Bd.	20,000.00	20,000.00
		70,000.00	55,250.00			7,100.00
STATE MINE INSPECTOR (Pars. 4057-8-9, R.S. 1913, provide for)				(Continued on Page Seven)		
Salary Inspector	3,000.00	3,000.00	3,000.00			
Not to Exc. for Necy. Exps., Clerk						

Par. 2791, 2792, 2794, R.S.
(3, open Apprn. for)
nder S.L. 1917, p.58, "Annually"

ATE GAME WARDEN

Salary			
Salary Deputy	(7)	1,800.00	
Trav. Exp.		2,700.00	4,000.00
		4,500.00	4,000.00

IRY COMMISSIONER

Par. S.S.L. 1918, p.18, Secs. 1 & 19)			
Salaries and Exps.			10,350.00

INSTITUTIONAL APPROPRIATIONS

YLUM FOR INSANE

	1918-19	1919-20	1920-21
Par. 4461, 4464, S.S. Bill No. 19)			
Salary, \$3,000.00			
Maintenance		120,000.00	120,000.00
Remodeling, repairing, and renew-			
als buildings		15,000.00	11,800.00
Building and improvements		28,325.00	9,100.00
Arm Maintenance			
Arm Equipment			
Arm Improvement			
Total		163,325.00	140,900.00
		107,000.00	

RTHERN ARIZONA NORMAL

Par. 4506, R.S. 1913)			
Maintenance	110,000.00	110,780.00	105,380.00
Improvements and Repairs		15,500.00	10,000.00
Additional Real Estate		13,225.00	
Painting School, New Walks, drives			
and ground improvements	82,000.00	108,000.00	
Total		247,505.00	115,380.00

NEER'S HOME

Par. 4546, 4548, R.S. 1913)			
Salary Supt. \$1,200.00			
Maintenance	18,000.00	27,195.00	27,195.00
Improvements and Repairs	1,000.00	5,000.00	1,000.00
S.Bill No. 153) Automobile		1,000.00	
Total	20,000.00	33,195.00	28,195.00

AZONA STATE FAIR

Par. 38, R.S. 1913 S.S.B. 19)			
Annual appropriation	15,000.00	15,000.00	15,000.00
Maintenance and Improvements	10,000.00	50,000.00	20,000.00
Tax Equal to Receipts	34,247.00	*34,247.00	*34,247.00
Proc. Add'l lands (new)		4,000.00	
State Aid to County Fairs (S.L. 1917			
20, C. A. Not to Exc. \$1,000.00			
(any county)		10,000.00	10,000.00
Total	59,247.00	113,247.00	79,247.00

CAPE NORMAL SCHOOL

Par. 4506, R.S. 1913)			
Maintenance	110,000.00	116,500.00	116,500.00
Building and Improvements	15,000.00	12,950.00	40,000.00
Use Bill 121, (New Lands)		18,100.00	
Use Bill 157 (Reimbursements)	26,896.79		
Total	151,896.79	147,550.00	156,500.00

ATE INDUSTRIAL SCHOOL

Par. 4526 R.S. 1913) (S.S. Bill No.			
Maintenance	35,000.00	49,000.00	49,000.00
Improvements and Repairs	10,000.00	100,000.00	
enate Bill 194		25,000.00	
Total	45,000.00	174,000.00	49,000.00

AZONA STATE PRISON

Par. 1431 etc. Chap 35 S.L. 1915)			
Prison Labor)			
Maintenance	60,000.00	60,000.00	80,000.00
Improvements and Repairs	100,000.00	145,000.00	145,000.00
	12,000.00	59,845.00	24,845.00
Total	172,000.00	264,845.00	249,845.00

IVERSITY OF ARIZONA

Par. 4485, 4482, 4504, 4505)			
Add \$50,000.00 U.S. App. annually			
iversity Timber Sales interest.			
er receipts, Smith Lever Act, U.S.			
. Ed., Agri. Education and Ex-			
ension Service, Tuitions, etc.)			
Maintenance	149,597.50	218,082.00	218,082.00
Improvements and Repairs	40,000.00	41,950.00	41,950.00
Printing and binding reports	6,000.00	9,000.00	9,000.00
Operative Educational Work		7,433.71	10,000.00
pr. Univ. Farm	2,300.00	6,050.00	2,250.00
Itce. Univ. Farm	11,850.00	12,500.00	12,500.00
chool of Mines			
Salaries, Ass't., Mtce., Equipment,			
Supplies	25,000.00	31,000.00	31,000.00
State Palm Orchard, Tempe	2,650.00		
Salaries and Opr. Exp.		3,175.00	2,575.00
Supervisor of Dry Farming, Sal-			

ary, Off. Supt. Trav. Exps,			
(Grouped)	3,000.00	4,500.00	4,500.00
**Plant Introduction, Etc.	3,000.00	4,260.00	4,260.00
**Salt River Valley Exp. Farm	10,000.00	16,510.00	12,510.00
**Prescott Dry Farm	3,690.00	6,090.00	5,690.00
**Guaging Streams	3,000.00	3,000.00	3,000.00
**Underflow Water Investigation	2,400.00	2,400.00	2,400.00
**Yuma Date and Hort.	3,137.00	5,925.00	4,725.00
**Yuma Date and Hort. Add'l land		12,500.00	
**Extension Service U. of A.	12,000.00	25,160.00	25,160.00
Construction of Campus, barn,			
sewer, green house, well and			
automobile truck		17,400.00	7,000.00
Woman's Building (See S.B. 125)	45,000.00		
Men's Dormitory			145,000.00
For Campus grounds (new)		25,000.00	
Citrus Investigation		10,000.00	5,000.00
School for Deaf D. and B. (Bldg.			
and Equip.)		97,500.00	47,500.00
**Sulphur Springs and Dry Farm			
(G. A. P. 17)	3,700.00		
Blind Children (2862)	2,500.00		
Total	328,824.50	559,435.71	594,102.00

COMMON SCHOOL FUND (2815 R.

S. 1913) 2815 Amend. by H.B. 3.	500,000.00	750,000.00	750,000.00
Add'l G. App. B.	250,000.00	125,000.00	125,000.00
Total	750,000.00	875,000.00	875,000.00

FREE EMPLOYMENT OFFICE

C. 21 S. L. 1917, (C. A.)	2,500.00	2,500.00	2,500.00
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STATE ROAD TAX FUND

(Chap. 69, S.L. 1917) (C.A.)	\$34,000.00	(C.A.)	(C.A.)
		834,000.00	834,000.00

STATE ENGINEER

Salary (G. F.)	3,000.00		
Engineer, Trav. Exp. etc (G.F.)	2,500.00		
Total	5,500.00		

COUNTY SCHOLARSHIP FUND

Par. 4490, R.S. 1913, \$150.00	(1917)		
Ea. County) (C.A.)	2,100.00	7,000.00	7,000.00
(Amend. S. B. 130, \$500.00 Ea.			
County)			

HIGH SCHOOLS AND NORMALS

Vocational Pursuits (Par. 2791)			
(C. A.)	60,000.00		
(See S.L. 1917, p. 58, G. Ap.B. 19,			
Subdiv. 90)			

STATE LOAN COMMISSION

(Par. 5256 (C.A.)			
(Necessary)	500.00		

LOANS TO COUNTIES

(Par. 5103, R.S. 1917, from G.F.,			
Reimbursed from 75% S.R. T. F.)			

NATIONAL GUARD

(Pars. 3900, 3944, 3947, 3954, C.A.)			
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PREMIUMS ON BONDS

STATE OFFICIALS			
(Par. 185 R.S. 1913) (C.A.)			

PRINTING REPORTS

STATE OFFICIALS			
(Par. 242, R.S. 1913) (C.A.)	8,500.00		

(1)—Par. 286: "Bank Comptroller or some competent person appointed by him, shall exercise, etc., " (2)—Par. 67, 1913, 1 at \$1200; 1 at \$900.00. (3)—See Par. 5139, R.S. 1913. (4)—Biennially. (5)—No laws passed as to use of these appropriations. (6)—See Par. 98, R.S. 1913. Salaries from General Fund. (7)—See Pars. 686 and 687 Penal Code, 1913. Game Protection Fund for other deputies and expenses, etc. (*)—On basis of 1917 Fair Receipts turned in to State Treasurer. Proceeds of Earnings to General Fund, 1917 S. L. 87. (**)—Under control of board of Regents of University. Initials used above: "G. A. B."—General Appropriation Bill. "C.A."—Continuing Appropriations. "O.A."—So-much-as-may-be-necessary Appropriation Laws.

CONTINUING APPROPRIATIONS NOT HERETOFORE INCLUDED

	1917	1919-20	None
VARIOUS STATE BONDS			1920-21
Interest and redemption (C.A.)	70,696.76	70,696.76	70,696.76
Interest on Registered Warrants	15,000.00	30,000.00	30,000.00
Total	85,696.76	100,696.76	100,696.76

(Continued on Page Eight)

SPECIAL APPROPRIATIONS, ETC., NEW 1919 LAWS

Senate Bill No. 15. To eradicate Predatory Animals	50,000.00	
S. B. 33. For Bridge across Colorado river, Mohave County, contingent on county appropriation, 1919	40,000.00	
S. B. 46 Relief Sheep Sanitary Board	5,000.00	
S. B. 47. For construction of bridge and approaches, Oak Creek, near Cornville in Yavapai county (Tax Levy)	20,000.00	
S. B. 48. To Rocky Mountain Club of New York to entertain returning soldiers and sailors	5,000.00	
S.H.B. 51. Authorizes State Land Department to purchase land borrow money, make farms, etc., and converts all otherwise unappropriated General Funds to the purposes of act.		
S. B. 83. For organization, control and equipment of State Normal and High School Cadet Companies	10,000.00	
Sec. 20. Annual continuing appropriation, (Contingent on over 12 schools)	2,000.00	12,000.00
S. B. 89. To aid Reclamation Service of U. S. in making surveys of feasible irrigation projects with a reclamation agent in each county, appointed by State Land Commissioner, to each draw \$5.00 per day and expenses	100,000.00	
S. B. 92. Construction approaches to Lee's Ferry	10,000.00	
S. B. 93. Relief Alex Rossi, account meals furnished Prison Gangs Laborers 1915-1916	329.20	
S. B. 94. Appropriation with an emergency for addition to State 25% of State Road Tax Funds for co-operation with Federal Rural Post Roads Act	200,000.00	
S. B. 109. Relief Bill to pay printing Arizona History	2,250.00	
S. B. 115. For display at International Farm Congress at Peoria, Ill., under direction of Commr. of Irrigation to be appointed by Governor. Continues 2 yrs.....	1,000.00	
S. B. 124. Relief of the California School for Deaf and Blind on account of Board and Tuition furnished in 1916	466.66	
S.B.125.....For relief to complete Woman's Dor'try at U.of A.	45,000.00	
S. B. 126. For construction of a power line from Sacaton to State Prison, according to agreements with U. S. Government	50,000.00	
S. B. 127. For compensation on account of H. W. Steele, a workman injured in 1918, at Tempe Normal	2,000.00	
S. B. 136. To pay Leo M. Cloud, Death Damages 3,250.00 Plus 6% from date of judgment until paid	390.00	3,640.00
S. B. 160. Giving State Land Commr. power to develop water by piping to dry farming districts, with an annual appropriation of \$10,000.00	20,000.00	
S. B. 162. Creating an Arizona Resource Board of 3 members on per diem of \$10.00 per day and all necessary expenses while away from residence, to gather information upon development of water from water sheds annually	10,000.00	
S. B. 195. For one-third cost of Bridge over Colorado river near Parker, U. S. and California to contribute balance of cost of bridge	30,000.00	
S. B. 196. Appropriate for the construction of Superior to Miami Highway under State Engineer	100,000.00	
S. B. 198. Appoints Committee of Six from Legislature to investigate and report as to State Smelter. Expenses only	5,000.00	
H. B. 3. Amends Par. 2815, Rev. Stat. 1913, raising Common School Fund from \$500,000.00 per year to (See 1919 Gen. App. Bill, Sec. 45, adds \$125,000.00 to above)	750,000.00	
H. B. 15. For State Anthem copyright and publication	600.00	
H. B. 79. To pay office expenses for year ending June 30, 1919, State Treasurer's Office, with an emergency (Deficit)		50,000.00
H. B. 102. For Drilling an Experimental well in San Simon Valley, Cochise County, under Engineer of Agri. Exp. Dept. of U. of A.	15,000.00	
For San Simon Valley Irrig. Project	10,000.00	
Cutting White River and installing head-gates	5,000.00	30,000.00
H. B. 116. For bridge across Gila river on Globe Solomon Road in Graham county and necessary repairs to San Carlos River Bridge, to co-operate with U. S. Gov. appropriation for same purpose	65,000.00	
H. B. 121. For purchase of additional land for Tempe Normal Farm	18,100.00	
H. B. 126. Is a bill pertaining to the use of water and to regulate the appropriation of the natural waters of Arizona; creating a State Water Commissioner with \$4,000.00 per year for six years terms. Appropriates for 1919-20	10,000.00	
Continuing annually	15,000.00	25,000.00
H. B. 142. From General Fund for repayment from 75% county portion State Road Tax Fund for Williams to Clarkdale Road	25,000.00	
H. B. 178. For construction of Arizona portion of Arrow Head Trail Road in Mohave County to Bridge mentioned in S. B. 33, cooperating with Utah, etc.	50,000.00	

SPECIAL RELIEF BILLS FOR 1919

S. B. 167. Relief of Harron, Rickard & McCone	63,000.00
S. B. 168. Relief Standard Oil Company	238,000.00
S. B. 169. Ohio Restaurant, Williams, Ariz.	65,000.00
S. B. 170. Relief Union Oil Company	324,000.00
S. B. 194. Building Girls' Dormitory, Industrial School Buildings	25,000.00
S. B. 195. Building bridge across Colorado river—Yuma—Contingent other appropriations	30,000.00
S. B. 4. Relief McNeil Company.....	63,000.00
S. B. 44. C. O. Case	2,550.00
S. B. 61. E. P. & S. W. System	23,000.00
S. B. 107. Filmer Bros. Printing History, available on approval	2,250.00
H. B. 181. Henry C. White	950.00
H. B. 193. E. W. Keithline	180,000.00
H. B. 202. To pay Expenses, State Legislature 1919-20	10,000.00
H. B. 1. Expenses, Legislature, available on approval	65,000.00
H. B. 21. Contingent, Governor's office, available on Apprv'l	4,500.00
H. B. 9. Law Library Deficit	36,000.00
H. B. 32. Contingent, Auditor's Ofc., available on Apprv'l	2,400.00
H. B. 100 For Portraits, available on Apprv'l 400.00 1917	200.00
H. B. 56. Motor Vehicle Deficit, available on approval.....	8,260.00
H. B. 53. Relief Norton Morgan Co. et al	65,000.00
H. B. 67 McNeil Co.	25,000.00
H. B. 157. Completion New Auditorium Annex, Northern Arizona Normal, Period Ending June 30, 1919	24,710.00
H. B. 157. Completion New Wing, Capitol Period Ending June 30, 1919	30,000.00
Period ending June 30, 1917	125,000.00
H. B. 157. Reimburse Tempe Normal for Heating Plant, Period ending June 30, 1919	26,890.00

MAY 12 1919

1c. Paid
Phoenix, Ariz.
Permit No. 18

ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME SIX

PHOENIX, ARIZONA, APRIL, 1919

NUMBER FOUR

Total Assessed Valuation of Town and City Lots and Improvements on Same in Arizona

Year	Total Valuation	Percentage of Total State Valuation
1913	\$ 57,579,873.85	15.2
1914	63,950,566.65	15.6
1915	63,486,078.57	15.0
1916	67,712,804.62	13.8
1917	72,207,861.26	10.2
1918	77,050,732.55	9.19

As Compared with Total Valuations of State and with above
Valuations Increased from \$57,579,873.85 in 1913,
to \$77,050,732.55 in 1918, the Percent-
age Decreased from 15.2 to 9.19

EDITORIAL COMMENT

A LAND OF OPPORTUNITY FOR ALL

IT is an old saying that opportunity knocks once in a life time at the door of every man. Many there are who believe that their chance has been offered and is past and gone. That at some past moment the grand chance of a lifetime slipped by them all un-noticed, all unheeded, and for them there is no longer any chance for success in the fields of life's endeavors.

The man or woman who approaches the future with such feelings of discouragement are either not true Arizonans, or have never realized the opportunities now present in Arizona. "Opportunity" in big capital letters is written all over the map of Arizona. Opportunity in Arizona extends its welcome hand from every acre of fertile soil in its vast deserts, calls continuously from every mountain, hill and valley. Goes whispering along in mountain streams, and rivers in the valleys. It permeates the air we breathe, is found in the golden sunbeams which surround us by day, and is sublimely present in the moonlit, and starlit heavens of peaceful night.

Opportunity speaks in Arizona, not once to any man, but continuously, to all men. Success cannot come to those who do not hear its voice. Success cannot come to any who do not use their individual efforts continuously, consistently, and persistently, to their own advantage. Success cannot come to those who listen to, but heed not, the voice so spoken to all. Success cannot come to those who fail to grasp the welcome hand of opportunity presented to them on every side in Arizona, and hold firmly thereto until with determined resolution they do for themselves what they may do with the aid so extended to them.

Arizona is no place for idlers and drones. The man who watches the growing crops of his neighbor, but sows no seed for himself, may or may not be

among those who falsely assumes that opportunity has passed him by. Such a man is living in the bad dreams of the past, is really dead to the present. His idleness brings further discontent, his visions of the happiness and prosperity of others gives birth to feelings of covetousness. His attitude towards life soon brings him to a false sense of injury at the hands of men. That false sense of injury soon becomes to his otherwise unoccupied mind, a semblance of excuse, a perverted mental justification to his corrupted conscience, and leads him to acts from which he may reap where he did not sow. He covets the homes of the thrifty. He criticises wealth as an evil in the abstract, no matter if that wealth may have been the results of its possessor produced by tireless exertion hand in hand with the opportunities of life; no matter if honest toil, continued saving, and persistent thrift has resulted in prosperity to the worker, to the idler of the type mentioned, that worker has something beyond his share of the fruits of life's endeavors.

The idler seeks out others of his class. Associates with others who are of the same mental caliber, who have the same perverted ideas of right and wrong. That association leads to open defiance of the necessary rules of law and order. Tends to the destruction of the property rights of the men of homes, the honest business man who supplies his community with the necessities of life, tends also to the destruction of every safeguard which the law of real liberty has thrown around every man, that he may be fully protected in the enjoyment of that which he has fairly acquired for the support of his family, for their pleasures, as a safeguard against days of adversity, or upon which to continue to live to the end of life's journey, during declining years when no longer able to carry the burdens of daily toil.

The law-makers of Arizona have

made many provisions under which and through the effect of which, the man who really wants to work, will be afforded an opportunity to work. Numerous state buildings will be erected. Many miles of state, county, and postal road, highways will be constructed. Provisions have been made for reclamation projects in connection with soldier and sailor settlement upon state lands; those provisions include the putting of such lands into crops, after putting buildings, fences, leveling and making ready for water for irrigation of the lands. The taxpayers of the state will provide the funds which all such construction will require. The construction will give employment to thousands of men. The completed projects will actually open the door to real homes to those who show evidences of thrift to the extent of very limited savings. Side by side with all this public work, the regular business, private business, of Arizona will continue as before, even to the mining industries which, notwithstanding enormous reserve stocks of copper, decreased prices and decreased demands, are employing as many as possible in production and development. Acres upon acres of land under present irrigation projects will be called upon to supply cotton, hay, vegetables, and other products, to supply the demand of toilers who toil in other lines.

The opportunities presented in Arizona by nature itself; the opportunities so presented, actively supplemented by public activities and by continued private enterprise of her thrifty people; with it all who dares to say to any real toiler in such a bee-hive of toilers, that Arizona is not a land of continued opportunity? And who will dare to say to those toilers, that Arizona has any place or space vacant for the drones of mankind, whether those drones be styled and classed under one appellation of name or under another?

Arizona, with her opportunities, is for the industrious, energetic and thrifty.

Road Construction in Contemplation in Arizona

THE question of road building is one which has an importance at the present time more marked than in the past. Good roads are at all times desirable to meet the necessities of and for public travel and traffic. Good roads at the present time have an added feature connected with an immediate construction thereof which arises from the fact that such construction will furnish employment for many who may otherwise be unemployed.

To the extent that public funds may be raised and expended in road construction without unduly taxing the public, that public is really "killing two birds with one stone" when it turns its activities towards road-building to be accomplished without delay. It satisfies the demands for good roads, it also opens the doors to the employment of labor, temporarily idle due to uncertainties produced by the return of the people of this country from abnormal conditions due to war, to their ordinary peaceful state of active commercialism.

The United States government, even before the war, had appreciated the advantages of good roads. It was a user of roads in connection with its rural postal route service. That service was not as efficient as it may become when applied over well-constructed highways. In 1916 it enacted a law which provided for United States co-operation with "State Highway Departments" in construction of Rural Post Roads, and at the same time made an appropriation for the purpose.

The words: "State Highway Departments" as used in the law, seems to have been misunderstood as to meaning. In some quarters it has been assumed that those words meant some special department created in the state to act with and co-operate in the construction of highways as between state and national authorities, and with joint funds. The act of Congress which uses those words, does not warrant such an assumption. The words of that act are:

"The term 'State Highway Department' shall be construed to include any department of another name, or commission, of official or officials, of a state empowered, under its laws to exercise the functions ordinarily exercised by a state highway department."

The act of Congress referred to also contains a provision as follows:

"Any amount apportioned under this act unexpended at the end of the period during which it is available for expenditure under the terms of this section shall be re-apportioned within sixty days thereafter to all the states in the same manner and on the same basis, and certified to the secretary of the treasury and to the state highway departments and to the Governors of states having no state highway departments in the same way as if it were being apportioned under this act for the first time."

Keeping in mind the above provisions as to what is meant by the words: "State Highway Department," the further provisions of the law which are quoted below, seem to be clear in meaning. That meaning is, that a highway project planned within a state, including post roads' improvement, when submitted to the United States officials and by them approved, will be entitled to fifty per cent of its construction cost of the post roads portion thereof so approved. Thus leaving fifty per cent to be raised in the state, with no limitation as to how raised if it is expended under state supervision by officials exercising the duties ordinarily incident to a state highway department proper. The provisions are:

"Any State desiring to avail itself of the benefits of this Act shall by its State Highway Department, submit to the Secretary of Agriculture, project statements setting forth proposed construction of any rural post road or roads therein. If the Secretary of Agriculture approve a project, the State Highway Department shall furnish to him such surveys, plans, specifications, and estimates therefor as he may require: Provided, however, That the Secretary of Agriculture shall approve only such projects as may be substantial in character and the expenditure of funds hereby authorized shall be applied only to such improvements. Items included for engineering, inspection, and unforeseen contingencies shall not exceed ten per centum of the total estimated cost of the work. If the Secretary of Agriculture approve the plans, specifications, and estimates he shall notify the State Highway Department and immediately certify the fact to the Secretary of the Treasury. The Secretary of

the Treasury shall thereupon set aside the share of the United States payable under this Act on account of such project, which shall not exceed fifty per centum of the total estimated cost thereof. No payment of any money apportioned under this Act shall be made on any project until such statement of the project, and the plans, and specifications, and estimates thereof, shall have been submitted to and approved by the Secretary of Agriculture.

"When the Secretary of Agriculture shall find that any project so approved by him has been constructed in compliance with said plans and specifications he shall cause to be paid to the proper authority of said State the amount set aside for said project: Provided, That the Secretary of Agriculture may, in his discretion, from time to time, make payments on said construction as the same progresses, but these payments including previous payments, if any, shall not be more than the United States' pro rata part of the value of the labor and materials which have been actually put into said construction in conformity to said plans and specifications; nor shall any such payment be in excess of \$10,000.00 per mile, exclusive of the cost of bridges of more than twenty feet clear span. The construction work and labor in each state shall be done in accordance with its laws, and under the direct supervision of the State Highway Department, subject to the inspection and approval of the Secretary of Agriculture and in accordance with the rules and regulations made pursuant to this Act.

"The Secretary of Agriculture and the State Highway Department of each State may jointly determine at what times, and in what amounts, payments, as work progresses, shall be made under this Act. Such payments shall be made by the Secretary of the Treasury, on warrants drawn by the Secretary of Agriculture, to such official, or officials, or depository, as may be designated by the State Highway Department and authorized under the laws of the State to receive public funds of the State of county.

To some extent the activities which

(Continued on Page Six)

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS'
ASSOCIATION OF ARIZONA

Subscription April, 1919 50 Cents

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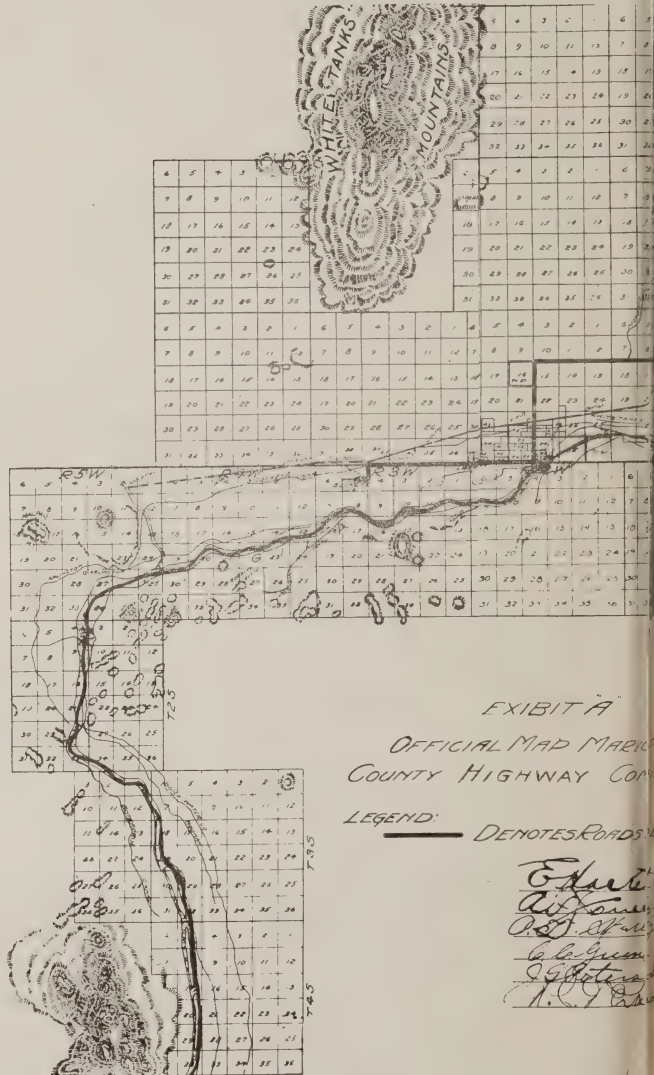
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County Highway System

The map which is presented to our readers on this page of the Magazine shows the proposed system of roads in contemplation by the County Highway Commission of Maricopa County; this proposed system will be the basis for action by the voters of that county upon the question of whether or not county bonds shall be issued to an amount of not to exceed \$4,000,000.00. The proposition includes the actual issuance of bonds in amounts of \$500,000.00 as the construction work proceeds. If the voters decide to permit the bonding, then an additional \$500,000.00 will be available from Federal Funds to aid in constructing the system on the map. The mileage proposed to be built will include 278 miles of paved roads within the county of Maricopa. The election to decide the proposition will be held on May 17, 1919.

Map Showing Maricopa
Highway System. B

Road Construction

(Continued from Page Three)

will result in road construction in Arizona for the present current year, appears from two letters which are printed below. One speaking for the State, and the other for the United States:

"Hon. Thomas E. Campbell,

"Governor of Arizona.

"My Dear Sir: We will have available July 1, next for the fiscal year beginning then, about \$900,000 from the tax levy; \$160,000 from auto tax licenses; 60,000 from prison labor fund; \$200,000 from emergency appropriation; \$100,000 Miami-Superior appropriation; \$25,000 Williams to Clarkdale; \$50,000 Arrowhead Trail appropriation, and \$155,000 bridges and approaches appropriations, most of which are contingent on a like amount from the counties, or in all, approximately \$1,750,000.

"There is almost a million dollars of federal money available at once and one and a third millions next year, or a total of \$2,300,000 to July 1, 1920.

"The State will not have the funds to meet all of this federal aid which requires an equal expenditure by this State, but our various counties will be glad to double their road funds by securing federal aid. We expect more requests from the counties for federal aid than can be allotted, and we intend to recommend first those which are on the State through routes and will benefit the most people.

"The passage of Senate Bill 185 would have increased the State road funds some \$600,000 additional, but might have resulted in the loss of several of the special road and bridge appropriations, so I would judge that we are not short over three or four hundred thousand dollars of the amount originally planned, which means a reduction of about ten per cent of the four million dollars which will be spent the coming year under state direction and control.

"We will need the time between now and July 1 to prepare surveys and plans for the judicious expenditure of funds then available.

"THOMAS MADDOCK,

"State Engineer."

"March 19, 1919

"Hon. Thomas E. Campbell,

"Governor State of Arizona,

"Phoenix, Arizona.

"My Dear Governor Campbell:

"You will no doubt recall our conversation on March 12, at which time you expressed a desire to know in de-

(Continued on Page Seven)

Total Receipts and Expenditures of School Money For the Years Ending June 30, 1917, and June 30, 1918

(From Biennial Report of State Superintendent.)

APACHE COUNTY

Balances on Hand July 1st:	1916-17	1917-18
Unapportioned County School Fund....	\$ 1,160.40	\$
School District Funds	4,636.49	
Building Funds		1,380.32
Miscellaneous Funds	268.19	449.92
Total School Funds on hand July 1st	6,065.08	1,830.24
Receipts:		
State School Fund	6,969.23	15,562.20
County School Taxes	19,596.06	17,873.38
School (Poll) Taxes	925.00	2,282.50
Licenses, fines and other sources		5,485.40
Special Tax for maintaining schools	1,694.40	2,000.00
Sale of Bonds	5,226.87	3,407.87
Miscellaneous Sources	1,589.45	849.59
Total receipts, including balances	\$ 42,066.09	\$ 49,291.18
Expenditures:		
School Maintenance	\$ 33,490.69	\$ 40,088.53
Building Purposes	1,750.00	6,234.27
Miscellaneous Purposes	992.40	952.31
From County School Funds	4,002.79	2,016.07
Total Expenditures	\$ 40,235.86	\$ 49,291.18
Balances on hand June 30th:		
Unapportioned County School Fund....		
School District Funds		
Building Fund	\$ 964.99	
Miscellaneous Funds	865.24	
Total School Funds on hand June 30th	\$ 1,830.24	

GENERAL SUMMARY (*)

School Population and Attendance:

Number of school children between 6 and 21 years of age, 1257—1344; between 8 and 16 years of age, 840—953; Enrolled in common schools 1024—1093; Average daily attendance, common school, 715.27—799.48. **School Districts and Schools:** Number of school districts, 19—20; Number of school houses newly built, 1—3; Number of school houses owned by districts, 13—

15; Number of school houses rented by districts, 6—9; Number of grammar schools, 10—.....; Number of primary schools, 25—..... Number of volumes in school libraries, 564—595. **Teachers:** Number of teachers employed, 39—38; Average monthly salary: Male teachers, \$104.16—\$94.33; Female teachers, \$86.33—\$83.70.

COCONINO COUNTY

Balances on Hand July 1st:	1916-17	1917-18
Unapportioned County School Fund....	\$	\$
School District Funds	19,509.87	15,532.23
Building Funds		
Miscellaneous Funds		
Total School Funds on hand July 1st	\$ 19,509.87	\$ 15,532.23
Receipts:		
State School Fund	\$ 6,371.40	\$ 18,200.00
County School Taxes	38,728.65	25,877.48
School (Poll) Taxes	5,370.25	5,235.00
Licenses, fines and other sources	584.00	3,060.00

(Continued on Page Seven)

Special Tax for maintaining schools	5,346.86	12,970.52
Sale of Bonds		
Miscellaneous Sources		8,000.00
Total receipts, including balances	\$ 85,794.46	\$ 88,875.53
Expenditures:		
School Maintenance	\$ 63,919.91	\$
Building Purposes	5,342.32	1,000.00
Miscellaneous Purposes		8,538.85
From County School Funds		62,985.37
Total Expenditures	\$ 69,262.23	\$ 72,524.22
Balances on hand June 30th:		
Unapportioned County School Fund....	\$	\$ 549.68
School District Funds	15,532.23	15,801.63
Building Fund		
Miscellaneous Funds		
Total School Funds on hand June 30th	\$ 15,532.23	\$ 16,351.31

GENERAL SUMMARY (*)

School Population and Attendance:

Number of School children between 5 and 21 years of age, 1535—1504; between 8 and 16 years of age, 878—906; Enrolled in common schools, 1315—1389; Average daily attendance, common schools, 800.69—836.82. **School Districts and Schools:** Number of school districts, 15—15; Number of school houses newly built, 3—0; Number of school houses owned by districts, 13—14; Number of school houses rented by districts, 1—1; Number of high schools, 1—1; Number of grammar schools, 23—18; Number of primary schools, 11—14; Number of volumes in school libraries, 5336—2943. **Teachers:** Number of teachers employed, 46—47; Average monthly salary: Male teachers, \$153.00—\$154.75; Female teachers, \$81.93—\$95.50.

MOHAVE COUNTY

Balances on Hand July 1st:	1916-17	1917-18
Unapportioned County School Fund....	\$ 14,678.45	\$ 12,424.54
School District Funds	1,557.67	2,139.46
Building Funds	59,150.00	33,806.98
Miscellaneous Funds	817.50	
Total School Funds on hand July 1st	\$ 76,203.62	\$ 48,370.98
Receipts:		
State School Fund	\$ 9,762.50	\$ 10,837.90
County School Taxes	22,122.86	24,061.24
School (Poll) Taxes	6,212.50	3,882.50
Licenses, fines and other sources	1,634.77	1,054.40
Special Tax for maintaining schools	359.39	1,184.85
Sale of Bonds	20,138.00	1,801.51
Miscellaneous Sources	463.03	13,932.11
Total receipts, including balances	\$136,896.67	\$105,125.46
Expenditures:		
School Maintenance	\$ 33,852.60	\$ 45,188.51
Building Purposes	45,481.02	30,674.00
Miscellaneous Purposes	6,072.73	7,011.20
From County School Funds	3,219.34	2,814.28
Total Expenditures	\$ 88,625.69	\$ 85,687.99
Balances on hand June 30th:		
Unapportioned County School Fund....	\$ 12,424.54	\$ 2,611.30
School District Funds	1,883.79	4,970.78
Building Fund	33,806.98	4,934.48
Miscellaneous Funds	255.67	6,920.91
Total School Funds on hand June 30th	\$ 48,370.98	\$ 19,437.47

(Continued on Page Eight)

Road Construction

(Continued from Page Six)

tail our road program for the State. I have had a complete report prepared, showing the projects upon which we intend to begin work this year; the mileage, estimated cost and county in which each project is located.

"There is also enclosed a state map showing the approximate location of the roads listed for improvement.

Name	Mileage	Estimated Cost
Clifton - Springerville; In Greenlee and Apache counties	94	\$547,000
Salt River-Pleasant Valley; Gila county	18	80,000
Salt River Bridge; Gila Co.	200 ft.	40,000
Snowflake-Pinetop; Navajo Co.	30	152,000
Canelo Hills; Santa Cruz Co.	9	20,000
Oak Creek Cut Off; Coconino Co.	5	16,000
Young-Carr's Ranch; Gila Co.	20	100,000
Young-Heber; Gila-Navajo Cos.	40	200,000
Oracle-Soldier Camp; Pima Co.	7	52,000
	232.25	\$1,207,000

"It may be that on account of insufficient co-operation and inadequacy of federal funds we will not be able to begin work on all these projects this year, but the above list shows what we are anxious to undertake if conditions appear favorable.

"Hoping this will give you the information desired, I am

"Very sincerely yours,

(Signed) "PAUL G. REDINGTON.

"District Forester.

Questions and Answers

Is the Salary Law, Chapter 61, Session Laws of 1917, effective as to salaries of present State and County officers elected for terms beginning in January, 1919, or have those salaries been changed by the new county salary law passed by the 1919 Legislature?

In answer to the above, a quotation as given from a recent decision of the Supreme Court, where it held that Chapter 61, Session Laws of 1917, did not increase salaries of officers during the terms then running, and as to the whole matter, says:

"The reason that prompted the writers and the ratifiers of the Constitution to provide that all county and state officers should be paid 'fixed and definite salaries' which could not be increased

or diminished during their term of office, no doubt applied with equal if not greater force to judges than to other public officers, Section 17, Article 22, also Section 17, Article 4. The conclusion therefore is inevitable that the policy declared in Section 17 of the Constitution applies to all public officers without exception or discrimination; that its plain and explicit meaning is not and never was intended to be changed by the expressions contained in Section 24, but, on the contrary, the two sections were inserted for a different object; they not only harmonize, but support each other.

"When the finished work, in the form of law, of the other two or-dinate branches of the government, the Legislature and executive, has in a proper case, been questioned and passed on to us as representatives of the judicial department for our opinion as to its constitutionality, we acknowledge we approach the discharge of our duty with reverence and we hope, with all respect due the other branches of the government, for we must remember that the Legislators and the Governor who have placed their seal of approval upon the law, like ourselves, have taken an oath to support the Constitution. Influenced by that consideration and thought, the courts all over the land have adopted the rule of allowing a law to stand when attacked if any doubt exists as to its validity. It is only when such a law clearly violates the Constitution that we would be justified in striking it down. By giving Chapter 61 Laws 1917 a prospective operation, we are able to prevent the action of the other branches of the government in writing it upon our statutes, and the same time permit no violence to the Constitution.

"The fact that the Legislature did not have the power to increase the salary of appellee during his term of office, does not necessarily make the salary act, Chapter 61 Laws of 1917, unconstitutional when applied to officers elected thereafter. The Legislature may increase or diminish salaries of public officers. There is no prohibition in the Constitution against their doing so. The limitation is against the increasing or decreasing of a public officer's salary during his term of office, or the term for which he was elected, the injunction against the changing of the compensation would, however, postpone the operation of Chapter 61 Laws of 1917, until after the expiration of appellee's term."

Receipts and Expenditures of School Money

(Continued from Page Seven)

GENERAL SUMMARY (*)

School Population and Attendance:

Number of children between 6 and 21 years of age, 1194—1061; between 8 and 16 years of age, 904—659; Enrolled in common schools, 1032—1102; Enrolled in High Schools, 39—75; Average daily attendance, common schools, 631.12—681.00; Average daily attendance, high schools, 31—54.70. **School Districts and Schools:** Number of school districts, 21—23; Number of new school houses built, 4—2; Number of school houses owned by districts, 19—20; Number of school houses rented by districts, 4—12; Number of high schools, 1—2; Number of grammar schools, 27—30; Number of primary schools, 5—5; Number of volumes in school libraries, 11—1634. **Teachers:** Number of teachers employed, 32—41; Average monthly salary: Male teachers, \$115.66—122.66; Female teachers, \$93.00—92.31.

NAVAJO COUNTY

Balances on Hand July 1st:	1916-17	1917-18
Unapportioned County School Fund....	\$ 457.01	\$ 14,474.02
School District Funds	16,842.41	12,336.98
Building Funds	22,851.27	27,465.18
Miscellaneous Funds	3,525.52	5,630.78
Total School Funds on hand July 1st	\$ 43,676.21	\$ 59,906.96

Receipts:

State School Fund	\$ 24,412.37	\$ 29,511.80
County School Taxes	44,145.83	23,737.73
School (Poll) Taxes	3,545.00	3,962.50
Licenses, fines and other sources	3,230.52	576.66
Special Tax for maintaining schools	8,088.82	11,929.85
Sale of Bonds	56,726.05	2,000.00
Miscellaneous Sources	22,064.64	40,183.99
Total receipts, including balances	\$ 205,889.44	\$ 171,809.43

Expenditures:

School Maintenance	\$ 72,500.09	\$ 80,998.75
Building Purposes	52,112.14	26,973.87
Miscellaneous Purposes	19,959.38	25,202.32
From County School Funds	1,613.94	2,293.75
Total Expenditures	\$ 146,185.55	\$ 135,468.69

Balances on hand June 30th:

Unapportioned County School Fund....	\$ 14,474.02	\$ 2,393.68
School District Funds	12,122.91	10,834.19
Building Fund	27,465.18	2,491.42
Miscellaneous Funds	5,630.78	20,612.45
Total School Funds on hand June 30th	\$ 59,703.89	\$ 36,340.74

GENERAL SUMMARY (*)

School Population and Attendance:

Number of school children between 6 and 21 years of age, 2501—2560; between 8 and 16 years of age, 1743—1609; Enrolled in common schools, 1930—2028; Enrolled in high schools, 112—135; Average daily attendance, common schools, 1417.59—1428.74; Average daily attendance, high schools, 81—100.07. **School Districts and Schools:** Number of school districts, 23—22; Number of school houses owned by districts, 4—1; Number of school houses rented by districts, 15—15; Number of new school houses built, 10—10; Number of high schools, 1—2; Number of grammar schools, 17—19; Number of primary schools, 37—38; Number of volumes in school libraries, 4692—4610. **Teachers:** Teachers employed, 59—60; Average monthly salary: Male teachers, \$127.50—158.00; Female teachers, \$88.94—125.72.

(*) In above summaries, the figures first given are for fiscal year 1916-1917, and those second in each case are for fiscal year 1917-1918.

1c. Paid
Phoenix, Ariz.
Permit No. 18

ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS' MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME SIX

PHOENIX, ARIZONA, MAY, 1919

NUMBER FIVE

Total Assessed Valuation of Banks in Arizona, and Percentages of Total State Valuations for Years 1913 to 1918 Inclusive

Year	Total Valuation	Percentage of Total State Valuation
1913	\$5,289,875.66	1.4
1914	6,159,883.35	1.5
1915	6,121,059.22	1.4
1916	6,539,355.57	1.3
1917	7,482,217.01	1.1
1918	8,876,582.37	1.06

As Compared with Total Valuations of Taxable Property of
all Properties of the State with the above Valuation
Increased from \$5,289,875.66 in 1913 to
\$8,876,582.37 in 1918, the Percentage
as to Bank Property Decreased
from 1.4 to 1.06.

EDITORIAL COMMENT

OTHER STATES DEALING WITH INTANGIBLE VALUES

THE question of making ample provisions either in the Constitution of the State or by amendment to the laws relative to the levy and assessment of taxes upon intangible values appears to be one of the important features which is under consideration by the people and legislators of the several states.

In view of the decision of the Court of Appeals, extracts from which appear in this issue of the Magazine, the article which we print below taken from the California Taxpayers' Journal will be of suggestive interest to the people of this State who will be called upon to solve the question of a proper scheme of assessment of intangible values in Arizona.

The article referred to reads as follows:

"Recent legislatures in a number of the States have been working on various angles of the tax system, and from reports of the results of legislation and the proposals made it would appear that efforts to amend constitutions to provide for income taxes and also a classification of property for taxation features constitute outstanding features of the legislative trend.

"The main object of classification, in most instances, is to permit a departure from the usual rule of uniformity in the taxing of property, so that intangible property may be taxed on a lower base than tangible property. There is a large school of tax authorities now holding that the imposition of modest rates on intangibles will produce a larger revenue from this class of property than will the imposition of the normal property rates. It is held that a stiff rate, when applied to intangibles, is in many instances an overpowering temptation to sequester such intangible property and keep it off the assessment rolls, whereas a low rate will be responded to by holders of such property.

"Inasmuch as a separation of the sources of state and local taxation has been in effect in California for a number of years, the classification proposal does not affect our state taxing situation. It would, however,

apply to the taxation system as relating to counties and cities.

"It appears that the State of New York, from the revenue standpoint, will suffer a severe blow when the prohibition law goes into operation. Consequently the legislature will have to provide some means whereby the receipts for the support of the State government can be augmented from new sources. A number of proposals were made and rejected, but it is understood that numerous authorities have agreed, tentatively at least, on an attempt to provide a personal income tax upon individuals, much in the nature of the federal income tax. This is to apply also to non-residents insofar as salaries, wages and profits from business operations are received by them in the State of New York. There is likewise a probability of an increase in the tax on mercantile and manufacturing corporations, other than public utilities. It is indicated that there is to be a division of the yield of the income tax as between the State and the Counties

"In North Carolina the legislature has submitted to the people a constitutional amendment to provide for an income tax to take the place of a property tax on intangible property.

"A special taxation committee in the State of Florida is proposing a constitutional amendment for the classification of property, to be followed by a low rate on intangibles. This committee also favors the triennial assessment of property. A state organization is being formed to support the movement for the constitutional amendment.

"A modification of the constitution of Georgia is likewise in prospect for the purpose of enabling the classification of property. A special legislative commission has been at work on the subject for some time and is now holding meetings throughout the State for the purpose of conferring with the people and creating interest in the matter.

"Prohibition legislation has caused a serious shrinking of the revenues of the State of Ohio, and a somewhat serious situation is now said to exist.

Several expedients have been proposed, but thus far a definite policy has not been expressed in law. A proposal to amend the constitution classifying property was defeated. The present prospect is that the rates of the tax limitation law will be exceeded in a specified amount for a limited number of years. The classification amendment is to be submitted, together with a direct inheritance tax law.

"At the session of the Indiana legislature a measure providing for taxing of intangible property at a low rate was strongly opposed by the farming element. As a result of opposition the measure was amended and as finally passed requires property to be assessed at its cash value with a limitation on the amount of tax that any unit may raise, the limit being the amount raised in the previous year, with a provision for an appeal to the State Commission.

"At the October election last year the State of South Dakota ratified a number of constitutional amendments among them being one giving to the legislature authority to classify property for taxation purposes. The legislature accordingly passed several laws "giving," as one report said, "considerable relief from the general property tax. One measure provided that money and credits, except domestic mortgages should be taxed annually at three mills on the dollar. A second law imposed a registry tax on mortgages secured by South Dakota realty. * * * Property paying the three-mill tax or the registry tax was declared exempt from all other taxation and the proceeds of both taxes were ordered to be divided between the state, the counties and the school districts." Laws were also passed granting a \$500 exemption on dwelling houses occupied by their owners as homes, household furniture and provisions, farm tools and machinery, and mechanics' tools.

"In Nevada the 1919 legislature enacted an executive budget law which is said to follow very closely the Maryland law. The introduction

tion of this measure was suggested by the Tax Commission. The legislature refused to submit an amendment repealing the present general property tax clause of the constitution and substituted therefor a provision for a classified property tax.

"Several modifications of the tax laws were made in Kansas. For one

thing the legislature submitted a constitutional amendment providing for property classification. A direct inheritance tax was restored, but the exemptions are regarded as very high, being \$75,000 for a widow and \$15,000 for other direct heirs.

"In Arizona the legislature provided that an automobile owner, before

obtaining a state license, must produce a certificate of payment of personal property taxes.

"Governor Carey of Wyoming has recommended an executive budget system, and has signified his intention to bring about a more uniform system of taxation, as based on land values, throughout the State."

Proposed Amounts for Improvements to be Made in State and Counties

SOME idea of the amounts which will be used during the coming year of public funds of all kinds—state, county, and federal aid—funds appears from a recent report compiled by the state examiner and filed with the governor.

The total figures which may be available for those improvements amount to \$7,222,000.00. The specific projects within the contemplation of the public, and amounts as to each project appears from the report itself, which follows:

State Construction for Which Appropriation Has Been Made

Asylum for the insane, Phoenix: Building and improvements, \$37,425; completion of new boiler room, \$9,875.

Northern Arizona normal school, Flagstaff: Build and furnish training school, walks and drives, \$108,000.00; completion of new auditorium annex, \$4,716.72.

Pionerr's Home, Prescott: Build and furnish new addition, \$65,700.

Tempe Normal school, Tempe: Building and improvements, \$48,950.

University of Arizona, Tucson: Construction men's dormitory, \$145,000.00; construction of school for deaf, dumb and blind, \$145,000; completion girl's dormitory, \$45,000.

Capitol building, Phoenix: Completion new wing, \$30,000.

State Industrial School, Fort Grant: Construction of girl's dormitory, \$25,000.

State Prison, Florence: Construction power line from Sacaton, \$50,000.

Oak Creek bridge, Yavapai county: Construction, \$10,000.

Colorado river bridge, Yuma: Construction, \$30,000.

Colorado river bridge, Mohave county: Construction, \$40,000.

Globe-Solomonville road: Bridge, Graham county, \$65,000.

Superior-Miami road: Gila and Pinal county road construction, \$100,000.

Williams-Clarkdale road, Coconino and Yavapai counties, \$25,000.

Arrowhead trail connection, Mohave county: Road construction, \$50,000.

Approaches to Lee's ferry, Coconino county, \$10,000.

Experimental artesian well, Cochise county, well drilling, \$25,000.

Total, \$1,089,149.56.

County Projects in Course of Construction

Coconino county: Construction sewerage system, Flagstaff, \$65,000; paving streets, Flagstaff, \$40,000.

Gila county road construction: Bridge and road to Carr's ranch in connection with forest service, \$90,000.

Graham county, general road work: Cannot state exact amount of funds that will be available, but estimates they will have employment for about 150 men on road work in the fall.

Greenlee county, road construction: Clifton-Springerville road, about 50 miles, employing 100 men, \$236,000; general county roads, \$200,000; school building construction, Morenci, \$150,000; sewer, bridge, town hall and park, Clifton, \$179,000.

Mohave county: Colorado river bridge built in conjunction with state, \$40,000.

Navajo county, road construction: Jointly with the forest service, road from Snowflake to north boundary of Apache Indian reservation, about 40 miles, will take over a year to construct, \$152,000; general road work, construction, reconstruction and maintenance, \$60,000. "From present outlook Navajo county will be able to take care of all its returned soldiers and perhaps more after a short time."

Pima county road construction: Ajo-Gunsight road, 23 miles \$40,000; Casa Grande road, 23 miles, \$40,000; Benson road, 20 miles, \$20,000; Mount Lemon

road, eight miles, \$50,000.00; Oracle-Apache road, 22 miles, \$69,000.

Yavapai county: Bridge over Verde near Clarkdale, \$40,000.

Total, \$1,475,000.

Contemplated County Projects

Cochise county: Taxpayers' meeting recommends to board of supervisors that \$1,000,000 bonds be issued and spent for immediate road work, as follows: Central highway from Douglas to Willcox, 68 miles, \$475,000; road from Bowie north to Graham county line, six miles, \$30,000; road to junction of Hereford-Nace road, through forest reserve in Ramsey canyon, 28 miles, \$50,000; road from Benson north, 20 miles, \$150,000; road from Forrest ranch to Gleason, 19 miles, and surfacing double adobe road, eight miles, \$140,000; road from West Wells to Chiracahua mountains, 19 miles, \$50,000; road from a point on the Borderland route, near Arizona-New Mexico line, to connect with Hilltop road, 10 miles, \$60,000.

Maricopa county: Good roads bond election held May 17 the people voted a bond issue of \$4,000,000. The following school districts contemplate issuing bonds for the purpose of making school improvements in the following amounts: Gilbert, \$65,000; Chandler, \$125,000; Laveen, \$27,000. District No. 1 and Glendale also contemplate similar issues."

Navajo county: The town of Holbrook contemplates the sale of water works and sewer bonds of about \$125,000.

Pima county: Construction of roads from Tucson to Willetto, 20 miles, \$75,000.00; paving four miles on Oracle road in cooperation with the federal government, \$100,000; construction of county court house, \$500,000.

Pinal county: A road commission has been appointed and there is a contemplated bond issue.

Yuma county: Bond issue for good (Continued on Page Eight)

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS'
ASSOCIATION OF ARIZONA

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Questions and Answers

When will the new county salary law enacted by the 1919 legislature, become operative to increase the salary of county officers?

The law seems to be settled in this state, that such a law will operate to increase the salary of any county officer whose term is now running. That it will operate upon the officers and terms of office of those who are elected hereafter for the next terms of those offices.

—O—

In the event the assessed valuation of a county is so increased that it places the aggregate of the value of that county in a higher class with respect to the valuations as affecting salaries of county officers, will present officers get the benefit?

The Supreme Court has decided that question in the affirmative. The basis for that decision was by the application of the rule that a salary is certain and fixed when the law which pertains thereto has been enacted prior to the commencement of a term of office, and through the operation of that law the salary may automatically, and upon the happening of certain prescribed conditions set forth in the law, be increased or diminished.

Total Receipts and Expenditures of School Money For the Years Ending June 30, 1917, and June 30, 1918

(From Biennial Report of State Superintendent.)

The figures which we publish below are taken from the biennial report of the State Superintendent of Public Instruction. Any discrepancies between those figures and figures of reports from County Superintendents upon which the State report is based, can only be accounted for from the fact that such discrepancies are likely to occur in the recomputation of tables and reports.

PIMA COUNTY

Balances on Hand July 1st:	1916-17	1917-18
Unapportioned County School Fund....	\$ 797.15	\$ 1,605.91
School District Funds	42,283.42	34,687.87
Building Funds	58.10	152,069.44
Miscellaneous Funds	1,872.52	6,867.94
Total School Funds on hand July 1st	\$ 45,011.19	\$195,231.16
Receipts:		
State School Fund	\$ 56,954.18	\$ 71,852.68
County School Taxes	61,669.52	114,437.25
School (Poll) Taxes	14,875.00	14,328.00
Licenses, fines and other sources	7,539.55	5,379.10
Special Tax for maintaining schools		
Sale of Bonds	152,120.08	50,242.82
Miscellaneous Sources	14,751.08	27,357.67
Total receipts, including balances	\$352,920.60	\$478,828.68
Expenditures:		
School Maintenance	\$145,371.98	\$188,042.86
Building Purposes	108.74	162,436.75
Miscellaneous Purposes	9,755.66	25,350.79
From County School Funds	2,453.06	3,189.41
Total Expenditures	\$157,689.44	\$379,019.81

Balances on hand June 30th:

Unapportioned County School Fund....	\$	\$ 1,340.34
School District Funds	36,293.78	49,718.20
Building Fund	152,069.44	39,875.51
Miscellaneous Funds	6,867.94	8,874.82
Total School Funds on hand June 30th	\$195,231.16	\$ 99,808.87

GENERAL SUMMARY (*)

School Population and Attendance:

Number of school children between 6 and 21 years of age, 7655—7340; between 8 and 16 years of age, 4732—4542; Enrolled in common schools, 5541—5315; Enrolled in High schools, 323—322; Average daily attendance, common schools 3628.16—3649.92; Average daily attendance, high schools, 264.07—254.95. **School Districts and Schools:** Number of school districts, 31—30; Number of new school houses built, 3—2; Number of school houses owned by districts, 21—25; Number of school houses rented by districts, 17—15; Number of high schools, 1—1; Number of grammar schools, 30—35; Number of primary schools, 83—92; Number of volumes in school libraries; 1343—2095. **Teachers:** Number of teachers employed, 124—127; Average monthly salary: male teachers, \$121.00—\$120.07; female teachers, \$86.10—\$92.09.

SANTA CRUZ COUNTY

Balances on Hand July 1st:	1916-17	1917-18
Unapportioned County School Fund....	\$ 4,209.47	\$ 5,537.12
School District Funds	6,457.15	13,887.73
Building Funds	8,625.48	298.19
Miscellaneous Funds	5,473.30	12,836.99
Total School Funds on hand July 1st	\$ 24,765.40	\$ 32,560.03

(Continued on Page Seven)

Taxation of Intangible Values as Construed by the United States Circuit Court of Appeals

Since our last issue, the case *Standard Oil Company versus Tax Commission* has been decided by the U. S. Circuit Court of Appeals. The importance of this decision with its bearing upon the principles which have been used to fix values upon the assessment rolls of Arizona seems to warrant the Magazine in giving its readers what is given below. We have omitted from the decision some of the statements of facts which comprise a review of the Arizona Statutes so far as they apply to the subject, which omission will not deprive our readers of anything not fully covered by the opinion of the Court which is published in full.

"The question presented involves the validity of the action of the State Board of Equalization of Arizona in ordering the assessed value of the property of the Standard Oil Company for the year 1917 to be increased from \$342,706.00, as fixed by the county assessing and equalizing authorities, to \$2,910,597.64. The facts as substantially stated by the complaint are these: The Standard Oil Company own real estate, motor trucks, sales stations and like property in various counties in the state of Arizona. The full cash value of the property on January 1, 1918, was \$342,706.00. California is the state of corporate domicile and the corporation owns, within the state of California, pipe lines, refineries, oil wells and properties of the value of more than \$40,000,000.00. It manufactures gasoline, engine distillate, lubricating oil and by products of petroleum in California, and sells and disposes of such products in California and other states and territories in interstate commerce. The Arizona Board of Equalization determined that appellant's net profits on its Arizona sales for 1917 were \$727,649.41. It proceeded then to capitalize those earnings at twenty-five percent and thus produced a total value of \$2,910,597.64. From his last named sum the amount of \$342,646.00, or the value that had been put upon the properties by the county authorities, was deducted and he difference became the increase complained of in this proceeding. The State Board ordered he increase upon all of appellant's property, en masse, without any specific increase as to any particular piece or item or class of property. The complaint alleges that it was not found or determined by the Board that any particular item or class had been undervalued by the county authorities or that any increase in valuation was necessary for any purpose for equalizing taxes or valuation. In a communication to appellant, the Board stated that intangible property was made assessable in Arizona and the method of arriving at the intangible value of the property of the Standard Oil Company was by deducting the net income for 1917 in Arizona, as per sworn report of the corporation, and deducting therefrom the Federal tax paid, which would give the true net business of the company in Arizona for 1917, as \$727,649.41. The Board so wrote as follows: "Assuming that this asset should earn twenty-five per cent net on its assessed valuation, and capitalizing the above net income at twenty-five per cent, the total valuation shown, both tangible and intangible, is \$2,910,597.64. Deducting from this figure the total amount of your assessments in the several counties, amounting to \$342,646.00, leaves a balance of \$2,567,951.64, the amount of the raise." The Board advised the company that her oil companies and classes of property were similarly treated and after specification of certain itemized classifications, the letter continued: "From the above table you will note that oil com-

panies are placed in the highest classification and are allowed to earn twenty-five per cent on their assessed value, while railroads are only allowed eight per cent, banks twelve and one-half per cent, and producing mines and smelters fifteen per cent."

After arriving at the valuation as outlined, the Board effected a distribution of this valuation increase among the thirteen counties of the state. The method employed was to require the corporation to segregate its gross sales made in the several counties respectively, and upon the basis of such segregation it was ordered that the total increase be divided among the counties in the proportion of their several contributions to the corporations gross sales, without reference to actual value of the properties involved. The Board then directed the various county authorities to enter the increase upon their assessment rolls respectively, and to use this language: Tangible and intangible valuation on property above enumerated as set forth in section 4847, Revised Statutes of Arizona, 1913, Civil Code, based on excessive earnings." County authorities conformed to the order of the State Board, and the State Board proceeded to levy taxes for 1917 and fixed the rate for state purposes at thirty-nine cents for each hundred dollars of assessed valuation. The county authorities in turn proceeded to complete and make the levies accordingly for county, school and municipal purposes. The State Board, however, failed to instruct the County Board how to distribute the increase among the several incorporated towns, cities, school districts, and local assessment districts within their several limits. As a result the county authorities extended the raise upon the assessment roll in gross without divisions or distribution thereof among or between appellant's real estate or improvements thereon, or personal property, leaving such real and personal property listed and assessed for state and county purposes at the valuation originally placed thereon by the county authorities, adding thereto, however, the form of entry specified by the State Board and heretofore quoted. In the distribution of the increase for town, city and other local assessment purposes, the county authorities split up and distributed the raise among such subdivisions in a manner devised to suit themselves, and as a result it is said to be impossible to ascertain the total valuation intended to be placed or the amount of taxes actually levied upon any article, part, piece, or parcel of appellant's property, whether real or personal, and whether for state, county, municipal, school, or other local uses. The actual figures used by the State Board in making up the increase were taken from a financial report filed by the Standard Oil Company with the State Tax Commission on May 1, 1918, as authorized by section 4629, sub-division 6, Revised Statutes of Arizona, 1913. That report shows a total income from gross sales of \$5,299,168.65, made up of sales of fuel oil, \$2,164,631.63, gasoline, \$2,129,008.36, and other products, \$1,005,528.66. All of the fuel oil was sold and delivered by appellant pursuant to contracts negotiated with the purchasers outside of the state of Arizona and was loaded and delivered by it to the purchasers on cars at appellant's distributing points in California, and thence transported by common carriers direct to the consignee in Arizona, without being handled by any of appellant's Arizona branches or agencies. All of the gasoline and other products, except as stated in the complaint, were refined and produced by appellant in California and were shipped to Arizona to be there sold and delivered direct to purchasers and consumers. Part of the gasoline and other products, of the value of \$217,453.52, were loaded and delivered by appellant to purchasers thereon on board cars at appellant's plants and distributing points in California, and were transported directly by common carriers to the purchasers in Arizona, pursuant to sales negotiated in Arizona, but without passing through or being handled by any of appellant's branches or agencies. A large part of the gasoline and other products were sold and distributed

by appellant in Arizona in the original packages and containers in which the same had been placed by it at its plants and manufactories in California. The item of \$951,378.82 net income from operations shown on the report of the corporation, represents the net profit derived by the corporation from its plants, properties and equipment in the production, purchase, transportation, refining and manufacture of products in California and includes the profits accruing to appellant through the operation of its sales plants and agencies, both in California and Arizona.

The corporation alleges that the action of the Board was wilful, arbitrary and constructively fraudulent; that the order for the increase was made upon an assumed earning capacity, which includes the earnings and income produced in California, as well as in Arizona, and that the effect of the action of the Board is to tax in Arizona property situated in California, as well as to tax the appellant's transaction of interstate commerce business.

The requirement of the several statutory provisions quoted being that the property of the appellant corporation shall be taxable at its full cash value, has the board exceeded its authority or has it proceeded upon a fundamentally erroneous principle in making the assessments involved herein? From the facts heretofore stated, it is evident that the rule of assessment expressed and adopted by the Board was that appellant oil company should be allowed "to earn twenty-five per cent on the assessed value of its property. The basis for such a rule was found in the consideration of what were called by the Board "excessive earnings", or what was regarded as "intangible" property, not included in the term, real estate. The position of the Board is that the method followed was "what is known as the capitalized income plan" for ascertaining or valuing the intangible property of the corporation assessed, and it is argued that the Board used the term "excessive earnings" in its ordinarily accepted meaning, intending to convey the information that the increase was on that part of the capitalized income over and above the value of the tangible property, and it is said that such method resolves itself into a simple assessment of intangible valuation.

But there is no statutory authority in Arizona for taxation of the earnings of the appellant corporation; nor is there any provision which authorizes the Board to judge of what earnings are excessive or as to how heavily such earnings may be taxed. As a general thing, intangible property includes franchises, credits, choses in action and the like; *Commonwealth vs. Cumberland Co.*, 99 S. W. 605. None of these is included in the present matter; and apparently there was no attempt to bring the assessment within any such inclusions. There was no indication given by the Board of any valuation placed on taxable, intangible property, other than as heretofore indicated and the increase ordered upon "tangible and intangible" valuation of the real and personal property, based on excessive earnings, was made upon the real and personal property en bloc. The judgment of the Board seems to have been exerted merely with the purpose of fixing a percentage on the assessed value which, in the opinion of the Board, the appellant should be allowed to earn. Having determined that point, the Board proceeded to capitalize appellant's earnings at the rate fixed. The next step was to increase the assessment of the corporation to the figure thus arrived at without regard to the cash value of the property owned by the corporation. According to the record, the valuations which were originally put upon the real and personal property by the county authorities were not changed as they appeared upon the several assessment rolls, and the language used by the Board with respect to the valuation based on excessive earnings and quoted in the statement of the case, appears upon each assessment roll, followed by the distributive share of the total raise in each county.

(Continued on Page Six)

Taxation of Intangible Values

(Continued from Page Five)

It is impossible to ascertain what value is meant to be put upon the real or personal property of the appellant or upon its stocks of merchandise or to say what amount of taxes was meant to be levied upon any of the property of the appellant for city, county, or municipal purposes.

The Board argues that its action is not to be judged by the descriptive words used in placing the added assessment on the tax rolls as "tangible and intangible valuation"; that this would, at most, be irregularly as also were the words, "based on excessive earnings." We readily grant that the inapt use of words ought not to render an official assessment void. But when, in the scheme of assessment, we find the careful and continued use of language and such language has been followed by the distributed portion of the total increase, that argument does not square with the expression used and the acts done. In the Opinion of the Justices, 108 N. E. 570, the Supreme Court of Massachusetts held that property in that state must be taxed upon an ad valorem basis and that a statute which would undertake to require the valuation of certain classes of property for taxation by capitalizing the income produced thereby at certain rates would be invalid. The Court said of such a proposed measure: "It does not rest the assessment upon any uniform method. It enables the Legislature or a public officer to readjust the multipliers according to a fluctuating judgment of what may be desirable even to the extent of accomplishing in practice great disproportion. The theory behind the bill would permit manifold classifications of diverse kinds of real as well as personal estate. If extended to its logical conclusion, it would be difficult to trace any remaining constitutional protection to the taxpayer."

Upon the foregoing branch of the case we place our decision that the action of the Board was fundamentally erroneous in principle, the assessment was unwarranted in law, and we think appellant should not be denied equitable relief. Assuming that there is a remedy provided by the statutes of the state, an assumption which appellant has forcibly argued is not justified, the enforcement of such remedy would, under paragraph 4887 already referred to, involve a multiplicity of suits involving a question of law common to all of them. A single action at law would not suffice. *Union Pacific R. R. Co. vs. Weld County*, 247 U. S. 282; *Fargo vs. Hart*, 193 U. S. 490; *Raymond vs. Chicago Traction Co.*, 207 U. S. 20; *Oelrichs vs. Williams*, 15 Wall. 211; *Johnson vs. Wells Fargo*, 239 U. S. 234. Nor are the Federal Courts, in the exercise of their equity jurisdiction, bound by Paragraph 4939, heretofore quoted, which forbids injunction against the State or any office thereof to prevent the collection of a tax levied under provisions of law; *In re Tyler*, 149 U. S. 184; *Western Union Tel. Co. vs. Trapp*, 186 Fed. 114.

There is another important phase of the case to which we advert. We do not mean to dispute the proposition that in arriving at the cash value of property subject to taxation, income product may properly be regarded, but it would appear that in the present case the State Board considered not merely the earnings and income produced by the property of the Standard Oil Company in Arizona, but "in far greater part" has taken into consideration the earnings and income produced by the properties of the appellant situated in California. Counsel for appellee cites *Adams Express Company vs. Ohio State Auditor*, 165, U. S. 194, as authority for what is called the unit rule of valuation. In that case the Supreme Court was considering a special law of the state of Ohio which provided for a valuation of the properties of express companies upon a mileage basis. Property situated outside of Ohio was carefully excluded but there were provisions which prescribed a method of valuation of properties as units and directed a distribution of the unit valuation among the various counties of the state. Analogies to this legislation may be found in the statutes of Arizona which provide for the unit rule of value in the taxation of private car lines, of railroad property and of telegraph and telephone lines; Paragraphs 4951 to 4962; 4963 to 4970; 4971 to 4979, Revised Statutes of Arizona, 1913. The unit rule applicable to assessment of such property, however, rests upon a mileage basis which avoids the taxation of any property outside of the state. But we are cited

to no statute which authorizes the valuation of the property of the appellant oil company under the unit rule or for the distribution of the unit value between counties in which such property is situated. In *Adams Express Company vs. Ohio State Auditor*, supra, it is to be noted that the Supreme Court said that "While the unit which exists may not be a physical unity, it is something more than a mere unity of ownership. It is a unity of use, not simply for the convenience or pecuniary profit of the owner, but existing in the very necessities of the case—resulting from the very nature of the business. The same party may own a manufacturing establishment in one state and a store in another and may make a profit by operating the two, but the work of each is separate. The value of the factory in itself is not conditioned on that of the store or vice versa, nor is the value of the goods manufactured and sold affected thereby. The connection between the two is merely accidental and growing out of the unity of ownership, but the property of an express company distributed through different states is as an essential condition of the business united in a single specific use. It constitutes a single plant made so by the very character and necessities of the business." The Court did not lay down a rule which would uphold a proceeding to assess the value of appellant's Arizona properties without attempting to ascertain what proportion of appellant's capital was employed in Arizona or California or elsewhere, or which authorized the fixing of the value of the Arizona properties of the appellant by capitalizing the income and profits produced by the California properties of the appellant. In *Fargo vs. Hart*, supra, the Supreme Court reviewed an assessment of express company properties in Indiana. There, in arriving at the total value of the property to be distributed upon a mileage basis, the taxing authorities included certain real and personal property not necessarily used in the actual business of the express company and which was outside the State of Indiana. The Court said it was obvious "that this notion of organic unity may be made a means of unlawfully taxing the privilege or property outside the state under the name of enhanced value and good will, if it is not closely confined to its true meaning. * * That would be taxing property outside of the state under a pretense. The difference is not a mere difference in valuation, it is a difference in principle and in our opinion the principle adopted by the Board was wrong." In *Louisville, etc. R. R. Company vs. Kentucky*, 244 U. S. 522, the principle was again established that a state may not consistently with the due process provision of the Fourteenth Amendment, include, at least as against any foreign corporation, any part of its tangible property lying without the state for purposes of taxation. *Looney vs. Crane*, 245 U. S. 178. Referring again to the averments of the complaint before us, it appears that the income which has been considered by the officials of the state represented in greater part earnings and income produced by appellant's California properties. For example, it is to be taken as true that the income included appellant's entire profits upon all crude petroleum produced by it and sold in Arizona, also the whole profit upon the appellant's manufacture and sale of manufactured products distributed in Arizona. It may become of vital importance at some time to inquire whether a tax levied upon a capitalization of a profit is not a tax upon the profit and whether a tax in Arizona upon profits produced by California properties would not be a tax on the California properties; *Looney vs. Crane*, supra; *Fargo vs. Hart*, supra, *Union Tank Line vs. Wright*, — U. S. —, decided since the submission of this proceeding.

For the reasons discussed in the first branch of the case, the decree of the District Court denying the temporary writ of injunction and dismissing the bill must be reversed with costs in favor of appellant. The cause is remanded with instructions to issue a temporary injunction.

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The National Tax Association holds its twelfth annual conference at the La Salle Hotel, Chicago, Illinois, commencing June 17th. The Governor has appointed delegates to represent Arizona.

Arizona a Land of Open Opportunities

This article is intended to suggest some idea as to what opportunities Arizona has to offer to real men and real women. To offer to men and women of real energetic spirit, and the will to do the very best which may be done with respect to every chance which does present itself in line with the mental, physical, material, and other true advancement of those men and women from their present position to a higher plane of life, with all the joys and pleasures in life which will surely follow as to that advance.

To the real men and the real women, Arizona can point with pride to her large mining industries; to her large cattle and sheep interests; to her forests and milling interests; to her large and successful irrigation and reclamation projects; to her business and trade centers; to her public improvements made and in the course of construction. On every hand there can be pointed out the results which have been attained by those who have not slept alongside of opportunities waiting to be used to individual advancement.

Arizona can greet newcomers and suggest that they look at the assessment rolls of the state. She can tell them that with a population of about 350,000 people those rolls show an assessed valuation of nearly one billion dollars. Can tell them to compute the per capita of people to values upon those rolls, and find three thousand dollars of value for every man, woman and child in the state. No man will tell them that those values are inflated to deceive newcomers.

You will hear many statements from those who came to Arizona solely because of its apparent opportunities, who reached for them, caught and held them and now say: "I came here without a cent, I now have a job, a home, some liberty bonds and a bank account."

If the man who investigates looks to the mountains, he may at first do so expecting to find a mine shaft upon every side hill within his view. He has heard of Arizona's mines and mining industries as the basis of that expectation. Yet in fact that same man could travel a long ways, traverse many hills and go over many mountains, before he could find the mining properties which make up the values upon the assessment rolls of the state as part of the total above given. If he investigated still farther he would find those who would

(Continued on Page Seven)

Receipts and Expenditures of School Moneys

Continued from Page Four

Receipts:

State School Fund	\$ 28,294.20	\$ 26,848.00
County School Taxes	15,662.47	21,138.01
School (Poll) Taxes	1,547.50	4,087.50
Licenses, fines and other sources	2,688.78	5.40
Special Tax for maintaining schools	4,743.96	5,790.69
Sale of Bonds	20,000.00	
Miscellaneous Sources	22,173.63	26,016.71
Total receipts, including balances	\$119,875.94	\$116,446.34

Expenditures:

School Maintenance	\$ 41,586.84	\$ 64,950.54
Building Purposes	28,327.29	293.19
Miscellaneous Purposes	15,207.42	24,972.46
From County School Funds	2,194.36	4,192.92
Total Expenditures	\$ 87,315.91	\$ 94,409.11

Balances on hand June 30th:

Unapportioned County School Fund....	\$ 5,537.12	\$ 2,852.92
School District Funds	13,887.73	4,896.91
Building Fund	298.19	5.00
Miscellaneous Funds	12,836.99	14,282.40
Total School Funds on hand June 30th	\$ 32,560.03	\$ 22,037.23

GENERAL SUMMARY (*)

School Population and Attendance:

Number of school children between 6 and 21 years of age, 3356—2734; between 8 and 16 years of age, 1876—1528; Enrolled in common schools, 1951—2171; Enrolled in high schools, 55—50; Average daily attendance, common schools, 1157.74—1222.11; Average daily attendance, high schools, 41—38.

School Districts and Schools: Number of school districts, 24—25; Number of new school houses built, 3—3; Number

of school houses owned by districts, 19—20; Number of school houses rented by districts, 6—4; Number of high schools, 1—1; Number of grammar schools, 8—9; Number of primary schools, 40—45; Number of volumes in school libraries, 2062—621. **Teachers:** Number of teachers employed, 50—57; Average monthly salary: male teachers, \$118.33 — \$139.72; Female teachers, \$81.07—\$98.40.

YAVAPAI COUNTY

Balances on Hand July 1st:

	1916-17	1917-18
Unapportioned County School Fund....	\$ 5,396.29	\$ 17,823.54
School District Funds	17,814.29	28,390.52
Building Funds	5,406.10	2,870.90
Miscellaneous Funds	11,192.19	16,060.27
Total School Funds on hand July 1st	\$ 39,808.87	\$ 65,145.23

Receipts:

State School Fund	\$ 35,281.20	\$ 38,323.80
County School Taxes	105,612.55	79,099.64
School (Poll) Taxes	10,939.00	18,230.50
Licenses, fines and other sources	5,064.00	6,381.67
Special Tax for maintaining schools		22,922.31
Sale of Bonds	9,143.36	24,206.00
Miscellaneous Sources	64,992.31	70,347.56
Total receipts, including balances	\$270,841.19	\$324,656.71

Expenditures:

School Maintenance	\$134,188.98	\$170,538.35
Building Purposes	11,382.75	19,023.29
Miscellaneous Purposes	60,124.23	69,375.41
From County School Funds		192.55
Total Expenditures	\$205,695.96	\$259,129.60

Balances on hand June 30th:

Unapportioned County School Fund....	\$ 17,823.54	\$ 8,940.27
School District Funds	28,390.52	31,456.88

(Continued on Page Eight)

Arizona A Land of Open Opportunities
(Continued from Page Six)

tell him, and truthfully too, that the surface has only been touched in spots. Tell him also that the mineral wealth of the state was practically an unlimited quantity. That it was not so long ago that the first pick went into the ground as the start of what is now reality. That man knows the truth of this statement. The opportunity is here for him, it is up to him to take it or leave it. He has only to start as the other pioneer miners started if he will. No he cannot start that way, many of the hardships incident to early progress of those pioneers have been removed, never to return.

That same stranger or his neighbor may look for the herds of cattle and sheep. He has heard about them, where are they is the question in his mind. They are in fact in the state, but like the proverbial needle in the haystack, the finding is a hard matter. There is so much space in Arizona for the development of that stock industry, that the possibilities are still open in untouched places.

Looking for opportunities the stranger hears of Roosevelt Dam and reservoir, and sees its results. If he looks and investigates he can see millions of other raw land acres, just as fertile, just as susceptible to irrigation, and finally just as productive as any land under the Roosevelt project. That project is mentioned as an illustration. There are others equally as successful in the state. There is present the means for still others and many more. All that is wanted is the man with the will, with the same persistent energies of those who forced along to present results under those projects, and that man and his associates will likewise be successful.

If any of those strangers who are really looking for opportunities are without present means, even then to those it may be said that Arizona pays as much and more for honest muscles used in honest labor, than any other state in the union. Compared to its population it spends more money in public work, public buildings, and other public enterprises than any other state. To that same man it can be truthfully said, the start is here for you, it depends upon your efforts to thrift and saving from what you can earn, as to whether or not you can step into a better place among the many opportunities in Arizona, other than the wages from your labors.

The opportunities which Arizona offers are such that no man or woman, possessed of the energy and will to do for themselves, need be grumbling of the fact that he cannot make a living, if not more, in Arizona.

Proposed Amounts for Improvements

(Continued from Page Three)

roads contemplated, \$750,000.

Total, \$7,222,000.

State Road Expenditures as Contemplated

"We will have available on July 1, (1919) next, for the fiscal year beginning then, about \$900,000 from the tax levy; \$160,000 from the auto tax license; \$60,000 from the prison labor fund; \$200,000 emergency appropriation; \$100,000 Miami-Superior appropriation; \$25,000 Williams to Clarkdale; \$50,000 Arrowhead trail appropriation and \$155,000 bridges and approaches appropriation, most of which is contingent on a like amount from the counties, or if all the road appropriation bills become laws, approximately \$1,750,000.

If these projects materialize the employment problem throughout the state would seem near solution for these immense public works will more than give employment to all soldiers who have returned. Among the many projects are construction of good roads, new public buildings, new school facilities and numerous other public improvements which are contemplated for the next two years.

Taxpayers will be interested in the manner of the progress of the work which will surround the expenditure of all of the foregoing funds. The large amounts involved will call for just the same application of "economy in expenditures, consistent with efficient results," as if the amounts were smaller. The amount to be expended is not so important to taxpayers as the way in which it is expended. Results in actual improvements, which when first completed, will have "permanency" as well as other results which will show in the completed work itself and not to be searched for in "expenses" of the final accounting. The taxpayers of this state are ready to pay for necessary improvements which will tend to improve and develop the state, they surely desire results for their money.

It may be of passing interest to know that the \$7,222,000.00, which will be expended as above, calls for a per capita rate of nearly \$400.00 each for every taxpayer whose name appears upon the assessment rolls of this state. Of course, the amount is levied as a property tax, but the mutuality of interest which is common to all taxpayers, will be in the per capita proportion as named.

Receipts and Expenditures of School Money

(Continued from Page Seven)

Building Fund	2,870.90	8,053.61
Miscellaneous Funds	16,060.27	17,076.35

Total School Funds on hand June 30th	\$ 65,145.23	\$ 65,527.11
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GENERAL SUMMARY (*)

School Population and Attendance:

Number of school children between 6 and 21 years of age, 4282—4854; between 8 and 16 years of age, 2601—3053; Enrolled in common schools, 3465—4086; Enrolled in high schools, 230—272; Average daily attendance, common schools, 2145.08 — 2460.97; Average daily attendance, high schools, 167 — 182.58. **School Districts and Schools:** Number of school districts, 44—42; Number of new school houses

built, 2—2; Number of school houses owned by districts, 34—30; Number of school houses rented by districts, 15—17; Number of high schools, 3—3; Number of grammar schools, 16—63; Number of primary schools, 32—54; Number of volumes in school libraries, 5727—4614. **Teachers:** Number of teachers employed, 103—133; Average monthly salary: male teachers, \$138.08—\$150.18; female teachers, \$91.85—\$97.50.

YUMA COUNTY

Balances on Hand July 1st:	1916-17	1917-18
Unapportioned County School Fund....	\$ 1,305.34	\$ 13,683.19
School District Funds	398.13	15,867.98
Building Funds	7,026.80	619.36
Miscellaneous Funds	6,042.71	10,025.02

Total School Funds on hand July 1st	\$ 26,882.93	\$ 40,195.55
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Receipts:

State School Fund	\$ 19,921.80	\$ 20,968.00
County School Taxes	41,395.78	34,037.76
School (Poll) Taxes	3,460.00	4,272.50
Licenses, fines and other sources	3,880.07	2,620.90
Special Tax for maintaining schools	5,801.15	7,449.96
Sale of Bonds	4,165.50	2,005.70
Miscellaneous Sources	27,768.67	27,800.19

Total receipts, including balances	\$133,275.90	\$139,350.56
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Expenditures:

School Maintenance	\$ 55,220.31	\$ 59,535.64
Building Purposes	10,572.94	1,688.49
Miscellaneous Purposes	24,094.30	24,698.68
From County School Funds	3,192.80	3,366.69

Total Expenditures	\$ 93,080.35	\$ 89,289.50
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Balances on hand June 30th:

Unapportioned County School Fund....	\$ 13,683.19	\$ 14,088.43
School District Funds	15,867.98	21,909.53
Building Fund	619.36	936.57
Miscellaneous Funds	10,168.04	13,126.53

Total School Funds on hand June 30th	\$ 40,195.55	\$ 50,061.06
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GENERAL SUMMARY (*)

School Population and Attendance:

Number of school children between 6 and 21 years of age, 2621—2992; between 8 and 16 years of age, 1609—2159; Enrolled in common schools, 1987—2318; Enrolled in high schools, 144—198; Average daily attendance, common schools, 1280.66—1120.59; Average daily attendance, high schools, 107.9—150.6; **School Districts and Schools:** Number of school districts, 26—26; Number of school houses built, 4—1;

Number of school houses rented by districts, 24—25; Number of school houses owned by districts, 1—1; Number of high schools, 1—1; Number of grammar schools, 12—12; Number of primary schools, 41—25; Number of volumes in school libraries, 1647—1786. **Teachers:** Number of teachers employed, 53—56; Average monthly salary: male teachers, \$135.00 — \$103.00; female teachers, \$84.35—\$97.36.

(*) In above summaries, the figures first given are for fiscal year 1916-1917,

and those second in each case are for fiscal year 1917-1918.

ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS' MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME SIX

PHOENIX, ARIZONA, JUNE, 1919

NUMBER SIX



They Brought Old Glory Back

All honor to the boys who bore
Old Glory to the field of war,
And brought Old Glory back.
In Argonne woods, on Flanders field,
They kept their courage firmly steeled,
And when the foeman bade them yield
They answered with attack.

To all but sight of duty blind
The land they loved they left behind
To fight for you and me;
Not caring what the morrow sent
Across the trackless seas they went,
Steered by the patriot's intent
To ports of victory.

And this the message of their drum:
"As boys we went, as men we come,
And until all is black
We'll fight and fight for liberty
Till all the universe is free,
And whatso'er the danger be,
We'll bring Old Glory back."

The flag we love, the land we call
The dearest homeland of them all,
Shall never fear attack,
While there are boys so bold and brave
To do or die our homes to save,
And carry far across the wave
And bring Old Glory back.
—San Francisco Chronicle.

EDITORIAL COMMENT



THIS Magazine cannot see each of you individually and extend to you that welcome which comes from the personal handshake on such meetings and speak the words from the heart which would follow as words from those at home to those who have been away, have done their work well and returned to us.

To those who fell on foreign battlefields, to those to whom the final bugle blew while preparing for the greater struggles there, and to each of you who read these lines, there is but one fitting welcome. All did their best—the reign of tyrants has ceased, freedom for mankind, real liberties for all mankind will follow that cessation, and all of you who responded to the call of America that it might meet the necessities of the whole world, and that from a land of freedom and liberty might go those hosts with whom you mingled, to the end that American ideals of Liberty—those ideals of a real freedom for mankind, consistent with democracy of the unselfish governed in a government by the will of the people—might and would become the standards around which to build all the powers of government of all peoples of all countries for all time to come. That standard has been erected where all the world can see; it stands where that world can feel its power by witnessing the effect of the united efforts of those hosts of Americans, whose hearts were made fearless by the principles of justice and freedom at home, and who with you went unafraid across the sea, and there planted their standards of justice and right upon every battlefield of Europe. Those hosts with you among them, which followed the Stars and Stripes until in addition to every star of every state upon that flag, have raised a **UNITED SINGLE STAR OF LIBERTY** for mankind of all the world, and which is now the Star of Liberty which enlightens the world. It is your star—you helped put it there, it will never dim while you live, and if at all times guarded by your support of the principles of right for which you went and fought, it will never dim in its en-

lightening effect upon all nations; will never dim at all while the Stars and Stripes which you followed into battle still float, and it will float forever, as an emblem of freedom to mankind to all eternity. You helped do it all.

America, as a factor in the war, was an impossibility. The Kaiser said so. His war lords pointed out the impassable barriers of the Atlantic. His chiefs of admiralty pointed with pride to the work of submarines directed—and to their perfect satisfaction tested—upon innocent women and children, and upon food laden vessels of succor for starving innocents in Europe.

"America has no army. It has no Navy. It has no guns. Its youth are wholly untrained in the art and science of warfare. They cannot fight. They will not fight." His spies and emissaries—false to the land that fed them—had told the Kaiser so. He believed it all. His disillusionment came quick and fast. He did not believe the hopes inspired in the drooping spirits of our allies, by the words, "**The Yanks are Coming.**" He assured his soldiers of the falsity of such a rumor. The pick of his army were breaking their way to Paris. Consternation filled the minds of their whole opponents. As if rudely awakening from a pleasant dream, the Kaiser and his advancing soldiers found the Yanks there—there on the line to stay and to win. And they won. That's the story you bring back to tell us. The Kaiser had reared his youths and spent years to build an army along lines of scientific principles to the end of an attempt at world supremacy, with himself at the head of all. Science could not be mistaken. Yet science was mistaken. One element was overlooked. That element was the indomitable will as represented by you who have now returned—of the American people finally aroused in support of the righteous cause. In the twinkling of an eye, as quickly as a torpedo struck and sent to watery graves thousands of innocent victims upon an unarmed ship of a neutral nation, that will of our people with their ideas of

"peace at any price" could not long stand as a neutral witness to such demoniacal atrocities. That people too, up a war slogan of: "Peace at the price of such a war, that future war will be impossible, as the price that will be paid for such a resultant peace. That was the slogan which you carried with you into the war in Europe. Thus the very weapons of warfare upon which the Kaiser looked for his protection against American forces, were by his own hand turned against him to his defeat. You were the instrument of destiny to finally accomplish that defeat. From the moment that war slogan rang across the United States, the final issue of that war was never in doubt. The only question was how long before such a peace will become a fact. You went, you saw, you conquered that Kaiser and all his hosts. Your absence has been brief considering what you did accomplish. Your work has been well done. Truth and justice have prevailed by the Creator of the world itself. Once more America says "Peace at any Price," and the world knows we mean it, and they know what we mean when we say it. The very power of strength which you have shown for America in that war for peace, is a power which future generations will not arouse to the extent that the war slogan of that people be again adopted as the means for peace. You have shown the world that the United States is a power for peace even at the price of war. That world will not have to be shown again.

Your hearts welcomed peace as we welcomed it and for reason of what that peace means to you and to all of us. So now the real meaning of the word welcome exceeds all bounds of description.

You little dreamed that being born in a land of liberty, instilled from the cradle with ideas of what freedom meant to you and yours, you had that within your hearts and souls as men, that which science could not instill in any HUN. That stout heart which led you in the cause of right forward and onward until every Hun and the Kaiser himself called "Kamerad". You went with the hearts of real men for a real cause of right.

In this hour when the whole of your mother land welcomes your return, none of us must forget that evil is still rampant. You have been nearer the tragic diabolical results of and from the ac-

ions of men wholly unrestrained by rules of law and order. You have witnessed the operations of people as to whom "Bolshivism" has displaced all law and all form of controlling government. The result is known to you as only eye-witnesses may know that result. Wherever in this land of ours any seed is sown, which has any germ at all, which if ripened into maturity, will have any semblance of a likeness to what that despised word stands for, that seed is a menace to that very liberty for which you have fought so well and victoriously. Such seeds must be crushed before by any possibility whatever, they may catch root in America.

The word "Liberty" as that word describes and includes within its meaning all that you have struggled for, has never stood for unrestrained, unrestricted and free licence for action on the part of any individual, class of individuals, or on the part of temporary masses in their majority action as against any minority of any class, creed, calling or vocation in life. "Liberty" is not synonymous with "licence". The word "LIBERTY" means "live and let live". It means treat your neighbor as you would be treated". It means such freedom of action only, as will preserve for you and yours, consistent with a preservation for others of what you would protect for yourselves. National liberty as the foundation of a free government can only continue as that foundation, by such

united efforts upon part of all the individuals who combine in that government, as will at all times insure to each and every individual the same rights which you seek to obtain for yourselves under that government.

Eternal watchfulness must be maintained, that the very principles of liberty for which you fought so well may not be discarded in times of peace. All of us must, with unrelaxing vigilance, and unceasing recurrence to the fundamental principles of our government, so act and do, that the Star which you have added to the flag of our country shall never be trampled under the foot of any foe in times of future peace. All must unite and act to the end that no period of the future will witness the undoing of the work which you have so gloriously finished and from which you have just returned.

You have carried the principles of democracy, liberty and justice as between man and man, as the standard bearers of one hundred million people of your country. That war is over. You go to your places in civil life. Take with you that same standard. Watch it and guard it with your future actions as you can do in your experience from what you have just passed. Do this at all times. Your example will be the guide to those of the public who now welcome your return, and upon whose support you may depend in the future, as it has been accorded to you in the

past, when that example follows the same undying championship of and for those same principles of right for which your companions died, and of which you were the selected champions upon the fields of battle.

We know that we can rely upon you. You have proved your metal. You went away boys—"our boys". You have returned as men in fact, but still "OUR BOYS" in our love, our thoughts and feelings.

Arizonans look upon you with special pride. Arizona was the last state to place its star upon the flag you carried when you left. In point of numbers you represented the people of the smallest state in the union. In point of deeds of valor, heroism and individual accomplishment, the Arizona star upon that flag shines just as brightly as the star of any state. You and each of you have kept that particular star unblemished, and at all times bright. For all of this Arizona welcomes you.

As said before, when you went away, no one doubted as to final results. The anxiety as to how each of you went through the ordeal in safety and to that certain victory, caused the only tremor in our hearts, as you with steady nerves and eyes fixed upon your flag marched proudly away.

The time has been long in the waiting but short in fact since Arizona bade you farewell. The bands played then as now, but how different the meaning of the tunes they play.

Salaries of Public Officers Cannot Be Increased by Law Effective During Terms of Office

After a long line of litigation, in which nearly every county in the state as represented by one or more cases, seems to have been definitely settled that the legislature cannot enact law salary laws which will be effective such upon the terms of officers who are elected and went into office at the same time the members of such legislature did, nor as to officers whose terms are then running.

The constitutional provisions which cover that situation have all been before the Supreme Court. Its various phases and effects have been passed upon and decided, and the question seems to be finally settled for all time to come. The decisions do not hold that the Legislature may not increase salaries by laws enacted at any session, they do hold,

however, the salaries of terms of offices fixed at the amounts named in laws in effect at the beginning of the term continue as the amounts not to be affected by law until new terms of office commence.

If County Officials Had Awaited Results

This Magazine has been active in the matter of the above cases. From time to time it has pointed out to the different counties in the state, the real law which did control the payment of county salaries. It made those suggestions in time. During the past two years while all the above mentioned cases have been pending decision of the Supreme Court, the Magazine has so advised that the county treasuries in the aggregate would now be from \$35,000.00 to 50,000.00 richer than now,

had the officials of several counties affected in salary suits not been too hasty in acting before those final decisions. It is to be regretted that some premature action in the line of paying claims—in most cases, according to the highest salary law which might be adjudged proper—has resulted to denying the taxpaying public of the benefit of the final decisions upon county salary questions involved in the various decisions. It is to be regretted that in some counties the officials could not await the result of what was understood to be "test cases," from those counties, but did in fact get their warrants and salaries to amounts which are now shown to be more than the amounts to which they were entitled.

(Continued on Page Five)

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS' ASSOCIATION OF ARIZONA

Subscription June, 1919 50 Cents

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New Auto License Tax Law

Below is given in full the amendment to the present Motor Vehicle Law, which provides that auto tax must be paid before license can be secured. During the past year more than four thousand cars which were supplied with license plates escaped taxation.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ARIZONA:

Section I. That Paragraph 5133, Chapter VIII, Title 50, of the Revised Statutes of Arizona, 1913, Civil Code, be and the same is hereby amended to read as follows: * * * * *

(12) Before issuing a license and delivering number plates to any person, company or corporation, the secretary of state shall require that such person, company or corporation file a statement from the County Assessor stating that the personal property tax for the current year has been paid on the motor vehicle to be licensed, or a statement showing that the personal property tax is secured by real estate within the County from which application is made.

Section 2. All acts and parts of acts in conflict with the provisions of this act are hereby repealed.

Respecting the Financial Affairs of the State Common Schools, Including High Schools---Not Including Normals Nor University

\$4,795,715.98 for the School Year 1917-18

From the figures taken from the report of the Superintendent of Public Instruction, which covers the fiscal year beginning July first, 1917, and ending June thirtieth, 1918, it appears that the school year mentioned started with a balance on hand of \$986,772.86. This balance included unappropriated balances in the county treasuries, unexpended balances distributed to school districts from all funds, state and county; balances in all bond and building funds; and balances in all miscellaneous funds. Did not include an appropriation balance in the state treasury of state common school fund, amounting to \$34,229.62.

During that fiscal year the receipts to the common school funds of the state, including county tax levies, poll taxes, licenses, fines and other sources, special district taxes, sales of bonds in districts, and all miscellaneous sources, amounted to \$3,349,854.12. To this is to be added the unexpended balances of the previous year, to get the total amounts available for school purposes of the fiscal year 1917—1918. The report gives that amount as \$4,795,715.98, as appears from tables published in connection with this statement.

The report shows that during the previous fiscal year, the sales of bonds and receipts from that source amounted to \$738,876.45, as against similar sales for similar purposes to amount of \$303,350.40 in the fiscal year 1917—1918. Among the amounts of expenditures is the item of \$425,488.57 in year 1916—1917 as against \$725,087.62, for building purposes. The balances in those building funds were \$531,385.50 for the first, and \$219,367.73 for second year mentioned. This all seems to mean that funds were raised one year and expended the next in the buildings. From these figures may be worked out just how much was expended in each year for building and improvement of schools and school property.

The report shows that during 1916—1917 there were 220 male teachers employed in the public schools at an average monthly salary of \$120.40, as against 179 male teachers employed in

the year 1917—1918, with an average monthly salary of \$130.70. The number of female teachers employed increased from 1,238 to 1,374 and the average monthly salary increased from \$89.3 to \$96.57.

The number of school children (enrollment numbers) increased from 68,731 in 1916—1917, to 73,698, as between the two years. This works out a corresponding change in the distribution of state common school funds among the counties of the state. The daily average attendance for the year 1916—1917 was 36,788.37, as against 38,229.22 in 1917—1918. These figures become the basis for final distribution in the respective counties, of the state school funds, and all other county general school funds and revenues thereto, among the school districts of each. Attention is called to the difference as between the one basis for distribution and the other, for the reason that the state funds are apportioned with the change upon an apparent increase of approximately 5,000 pupils in all the counties, while the actual need which determine the final distribution is made on the basis of an increase average attendance of only 1,440. Thus some counties get more from the state than their actual requirements demand.

The figures respecting School districts and schools as between the two years, are not to be reconciled. It is apparent that mistakes have crept in between the county reports, and compilations from those reports made in the Superintendent's office. Hence no comparisons are attempted as to those figures.

The total expenditures of the year 1916—1917, appears to have been \$2,869,230.28, increased to a total of \$3,678,756.63 in the year 1917—1918. An apparent increase of \$809,526.25 for the latter year. The final balances of available funds are given at \$1,475,730.58 as the balance available at the beginning of the year with a remaining balance in all such funds, on June 30, 1918, of \$1,167,588.01.

The portions of the report which cover the matters referred to above is presented with this article.

(Continued on Page Five)

Respecting School Funds---Continued from page four

CENERAL SUMMARY STATE OF ARIZONA

School Population and Attendance:	1916-17	1917-18
Number of School Children:		
Between 6 and 21 years of age	68,731	73,698
Between 8 and 16 years of age	41,890	46,509
Native born, native parents	40,826	45,591
Native born, one parent foreign	5,205	5,999
Native born, both parents foreign	11,605	9,997
Foreign born	11,095	12,111
Enrolled in the public schools	55,702	61,357
Enrolled in high schools	3,831	4,174
Attending private schools	2,440	2,764
Deaf and dumb of school age	27	26
Blind children	8	7
Average daily attendance, com. sch'ls	36,788.37	38,229.22
Average daily attendance, high schools	2,867.88	3,292.98
Percentage of school population enrolled	75	70
Percentage of enrollment in daily att.	63	67

School Districts and Schools:

Number of school districts	412	562
Number new school houses built	62	39
Number of school houses owned by dis.	555	500
Number of school houses rented by dis.	89	85
Number of high schools	30	28
Number of grammar schools	436	834
Number of primary schools	800	1,285
Number of mixed schools	.....	.....
Number of volumes in school libraries	50,301	53,696

Teachers:

Number of male teachers employed	220	179
Number of female teachers	1,238	1,374
Number holding first grade credentials	1,193	1,379
Number holding second grade credentials	134	190
Specials		68

Average Monthly Salary:

Male teachers	\$120.40	130.70
Female teachers	89.33	96.57

Total Receipts and Expenditures of School Moneys

For the years ending June 30, 1917, and June 30, 1918.

Balances on Hand July 1st.	1916-17	1917-18
Unappropriated County School Funds	\$ 196,007.25	\$ 266,175.08
School District Funds	250,608.25	286,772.60
Building Funds	231,790.81	550,826.51
Miscellaneous Funds	308,366.55	342,077.67
Total school funds on hand July 1st.	\$ 986,772.86	\$1,445,851.86
Receipts:		
State School Funds	\$ 567,421.48	\$ 613,286.78
County School Taxes	894,696.95	913,544.39
School (Poll) Taxes	155,638.25	133,501.50
Licenses, fines and other sources	93,340.15	50,418.76
Special Tax for maintaining school	114,979.17	303,350.49
Sale of Bonds	733,876.45	391,651.27
Miscellaneous Sources	760,110.72	944,110.93
Total receipts including balances	\$4,311,835.57	\$4,795,715.98
Expenditures:		
School Maintenance	\$1,686,157.28	\$2,017,474.41
Building Purposes	425,488.57	725,087.62
Miscellaneous Purposes	708,866.19	826,439.39

(Continued on Page Six)

Salaries of Public Officers Cannot be Increased

(Continued from Page Three)

State Treasury Protected Against Payment of Claims for Increased Salaries

In the matter of the cases which have been decided in the Supreme Court, and which directly involved the question of salaries of judges of the superior courts, and the salary of the governor for the period as between March 14, 1917, (the date when the 1917 salary law was signed) the total amount of possible increase under that law was \$18,949.00. The amount involved in the question of increase of judges' salaries was \$11,775.00. These salaries are paid, one-half by the state and one-half by the counties. Several of the counties have paid the increased amounts, others have not. The state refused to pay any of the increase and thus the state treasury has been fully protected as to the state's portion of the salary of the judges, as well as to the full amount of claimed increase made by the other state officers. The amount saved is quite satisfying, but the real victory is that the state gets the full benefit of the efforts made in behalf of constitutional provisions, with those provisions sustained and made effective by the final results of the suits.

Our Policy Sustained

This Magazine, through its legal department, has assisted in the results attained in the actual decisions. Outside of its published articles upon the whole matter, it has through that department repeatedly stated that it would not be a party to setting up any limitation as against claims which were accruing pending the uncertainty as to what the real salary laws were which did apply to the amounts to be rightfully paid. The Magazine desires that every public officer shall be paid, and shall receive all that the law fixed as the amount of his salary. It has earnestly opposed the payment of more than the amounts to which they were really entitled. Its position in that matter is consistent with its position as to all public finances. Public funds are trust funds. The trusts respecting the use and expenditure of those funds should at all times be executed according to and within the law and not outside the law. When it is apparent that public trusts are being violated in the matter of use of funds the Magazine speaks its protest. It will continue to do so in the future as it has in the past.

Respecting School Funds---Continued from page five

From County School Funds	48,718.34	109,755.21
Total Expenditures	\$2,869,230.38	\$3,678,756.63
Balances on Hand June 30th:		
Unappropriated County School Funds	\$ 264,569.17	\$ 108,369.64
School District Funds	226,680.22	315,691.42
Building Funds	531,385.50	219,367.73
Miscellaneous Funds	360,002.25	473,530.56
Total County School Funds June 30th.	\$1,441,501.96	\$1,116,959.35
Unappropriated State Funds, June 30th.	34,229.62	50,628.66
Total School Funds, June 30th.	\$1,475,730.58	\$1,167,588.01

Apportionment From Counties From State School Funds For School Year

	1916—17	1917—18
County		
Apache	\$ 10,773.00	\$ 15,529.20
Cochise	105,579.00	144,679.40
Coconino	11,583.00	18,821.60
Gila	39,834.00	70,308.80
Graham	28,539.00	39,452.80
Greenlee	38,214.00	61,111.00
Maricopa	123,615.00	182,405.80
Mohave	10,521.00	14,616.60
Navajo	21,483.00	30,838.40
Pima	57,339.00	93,812.60
Pinal	23,526.00	47,429.80
Santa Cruz	26,613.00	41,282.00
Yavapai	33,282.00	52,526.80
Yuma	18,756.00	32,093.60
Totals	\$549,657.00	\$844,908.40

OUR STATE LANDS

When Arizona became a state it became endowed with a large acreage of public lands granted by Congress. There were special grants made in trust for specific state purposes, all aggregating 2,350,000 acres, made by the Enabling act. In addition to this that act added two sections from every township making four sections out of each township, donated and set aside from the public domain for common school purposes. The latter grants amounted to 8,057,600 acres. There are some other special grants of timber lands to the University. All together Arizona became the owner in trust of 10,453,720 acres of land when it became a state.

From the report of the State Land Commissioner of date December 31st, 1918, figures are there published as appear in that report showing the work which has been accomplished respecting those state lands. A study of that report will disclose the number of acres which have been selected to become the lands actually owned by the state. Will also

disclose the disposition which has been made of those lands, whether sold, leased or still inactive. The report also shows a financial statement as to the amounts which have been realized for permanent land funds, amounts of interest received, and rentals, and other revenue from the lands.

From the figures of the report it appears out of a total of 2,350,000 acres granted for institutional and other specific purposes 2,329,149 acres have been selected of which 1,584,179 acres have been patented. The report shows 1,645,689 acres to have been selected by state officials to replace school section lands, which for reason of causes pertaining to actual surveys, as against unsurveyed prior locations upon these lands, lieu lands are under the grants of school sections to be selected. Out of the total of 10,453,720 acres of lands which will ultimately be in full of United States grants to the state, the reports show patents have been issued in confirmation of selections actually made,

of 2,018,190 acres. There are no figures which show with respect to the lands not yet selected and patented, just how many acres have been surveyed that same may be finally selected and patented to the state.

The reports show that applications for lease of state lands to the number of 15,699 have been filed and leases issued. Just the number of acres included in those leases does not appear, nor does it appear as to what the acreage rentals per acre has been. The report does show that a total of \$146,089.44 has been received from rentals up to date of the report.

Under the head of recapitulation of receipts, the total of those receipts to date of report is given at \$1,494,907.62. This total includes receipts from rentals, sales, fees, sales of timber, sales of improvements and miscellaneous. There is another total given under a head of "interest collected" to amount of \$32,917.17. It is not clear whether that amount is to be added to the first total above referred to or not.

Under still another head of lands sold, purchase price and payments made, it appears that 483,923 acres have been sold at the aggregate purchase price of \$2,861,982.41, upon which the amount of \$215,668.66 has been paid as principal, and \$430,155.76 as interest on deferred payments under sales contracts.

From the report it appears that the state funds derived from lands have been loaned out to the total amount of \$837,001.00. When the amount of loans appear at that amount, and the total of \$215,668.76 is looked at as being the total amount paid in as principal upon sales of lands, and considering items such as rentals of school lands \$58,203.90, rentals of institutional land \$38,288.42, and the two items of interest on sales, \$430,155.76, interest of loans, \$32,917.17, it would seem that the income from the land funds is being added to the principal of the fund, and not being used for current support of the various state purposes for which the principal funds were created.

Under the provisions of the enabling act, the purposes for which funds realized from sales of lands, sales of timber from lands and the proceeds are stated. Those purposes must be maintained distinct from each other. So with interest and income to the extent that the interest and income from principal of one fund shall not be used for another purpose. The revenues for the maintenance of the respective institutions, and other state institutions are to be made up from interest and income from institutional land grant funds, as well as taxes. If in

fact, interest and rentals are being added to the principal sums, and the interest upon the fund so created is all that is being considered as available for current maintenance of institutions, the intent of the enabling act and the constitution is not being carried out. If that is the situation, then the taxpayers are being taxed not only for the full ex-

penses of administration of state lands (less some fees incident to applications for loans and leases) but taxed to an extent that the maintenance of institutions may require without the benefit of the interest and rentals intended to be first considered as the primary revenues for such support.

The report gives a bird's eye view of the whole situation, but still closer

analysis will be necessary before the people of the state may know just how the returns from their lands, the cost of administration, and the capital value, compare with the general results shown by the report, as a financial proposition. As to this comparison no inference one way or the other is to be drawn from what is said above.

An Opinion of the Effect of Senate Bill 90

There has been so much apprehension as to the possible effect of Senate Bill 90, passed by the last Legislature, and which will become law on June 12-13, 1919, that it will be of interest to our readers to know the various opinions which have been advanced as to the practical workings of that law upon the finances of the state. An opinion has been rendered by the Attorney General in response to an inquiry from the State Auditor from which appears statements as follows:

"I may also add that * * *by the language of Senate Bill No. 135 providing for the tax levy for the years ending June 30, 1920 and June 30, 1921, and which in estimating the necessary tax to meet appropriations says in part:

"An annual tax sufficient, with other sources of revenue, to defray the necessary ordinary expenses of the State for each of these fiscal years as authorized by law."

Further, Senate Bill No. 90 does not seem to affect any Statutory, annual appropriations, nor does it affect any other appropriations that expire June 30, 1919.

By the distribution of credits is meant the opening of an account in the State Auditor's and State Treasurer's books, for each separate fund designated by appropriation, which account is to be credited with amount appropriated. The amounts so credited will continue as credits in such funds subject to such credits as are made from time when the fund is applied to the purpose for which it is created.

The State Board of Equalization must necessarily estimate in their best judgment the "sufficient amount necessary" mentioned in statutory appropriations to carry out the purposes made manifest by such laws."

As pointed out in the opinion, there may be questions still to be answered, at those questions are ones to be answered when they properly arise in the course of time. Reading the opinion it

does cover the situation which will presently arise, and if it is followed by state officials will bridge over a gap of possible uncertainty as between June 13, and the time when the affairs of the new fiscal year beginning July first, 1919 can be rounded out and completed by action of the State Board of Equalization in fixing a sufficient amount to meet ordinary state expenses, in those cases where the legislature has not specifically mentioned the amount.

It is to be apprehended that several questions left to be answered will never require answer when Senate Bill No. 90, the Budget bill (Senate Bill No. 30) and other new laws are fully in force and so in force that they may be practically applied according to the real purpose and intent of each.

Supporting the opinion above rendered it is the rule of necessity which is always to be applied in the construction of laws of ambiguous and doubtful meaning, and which is that such laws are not to be so construed as to bring about absurd results. It would be absurd to assume that the last Legislature intended in Senate Bill 90 to leave wholly unprovided for certain continuing public expenses, specifically declared to be proper expenses of offices of the state, and of its commissions and departments, and leave no provision for such expenses pending the time between which a new law becomes a law, and the time when it can be given practical effect consistent with necessities for a continuance of public activities.

It is one thing to so construe a law that no money is to be available for particular classes of expenses, declared to be such by special mention of class by the legislature, and to construe a law that every possible expense may be incurred because the legislature has given general power to perform some public activity. Reading the opinion, there seems to be nothing in it, which does not recognize that distinction. Offices will still be supplied with credits for the

purposes specifically classed as proper expenses as to the amounts so available even after the State Board of Equalization has made definite what before may be indefinite, Senate Bill 90 still says that the actual expenditures must conform to the purposes for which funds are thus made available, and cannot be used generally for any purpose whatsoever.

If state officials so apply Senate Bill 90 as to bring about its real intent of confining expenditures to the purposes for which appropriations are made and confine the totals of expenditures to the amounts so actually provided and not create debts beyond the amounts thus made available, then Senate Bill 90 will have accomplished its real intended purpose. In that event it will have accomplished its full purpose in all respects, dealing as it does with expenditures within appropriations, and not primarily with appropriations, as a distinct subject.

Questions and Answers

Can the state, counties or cities of the state become members of mutual insurance or mutual indemnity companies and assume the liabilities imposed upon members of such companies, as an incident to insuring public property from loss, damage and the like?

To answer the above question it is necessary to assume a possible situation which might arise out of the relation as between members of such mutual companies those of them who have losses to be paid on account of being insured members, a possible excess of losses and other liabilities over premiums received, i. e., a possible insolvency of the company, with the effect of that situation upon the public members, state, county or city. That effect would make the pub-

lic members responsible for the debts. The solvency of the public members would, at the outset, lend a phase of responsibility of the company to the eyes of creditors, and in the eyes of possible private members. Thus actually lending the credit of the state, county or city to private corporations. It is one thing for the public to provide and pay for insurance against loss to state property, quite a different matter for it to go into the insurance business as an incident to providing for such insurance. It is true that provision is made under which the state and its municipalities may engage in private business. But until such time as the legislature, by proper and specific direction in laws by it to be enacted, gives effect to the constitutional provisions permitting that to be done, public officials cannot go ahead and enter into such business relations as indicated by the question asked. There being no legislative authority covering the point, the power to enter into such mutual relations does not, in our judgment, exist in this state.

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Is it proper for two county offices to be filled by one person, and for that person to draw the salaries, expenses and fees, if any, attached to each?

In the answer to above question attention is called to the provisions of the county salary law of 1917, which with the provisions of Chapter XXII, title 6, Revised Statutes, 1913 (a chapter relating to court reporters), cover the whole subject of "county officers" their salaries and their fees. Section nine of the salary law mentioned reads: "All the county officers, employees, members of county boards and commissions not named in this act, and all deputies, stenographers, clerks and employees of any county officer, board or commission, or of any county institution, shall receive the salary provided by the laws creating or authorizing their respective positions, or amendatory thereof, and shall not, under any pretext, receive any salary or emolument from the county in excess of the salary so provided by law." This language seems to plainly negative the question so far as the drawing by one person of two salaries as for two offices of the county at one and the same time. As to the other side of the question which involves the proposition of one person performing the duties of two offices expressly created by the legislature, the one having duties not "ex-officio" to the other, the duties by law imposed as incident to the one, necessarily implies that those duties be performed by one person as the officer to do and perform those duties. The fact that an officer may be given deputies

does not change the situation, those deputies are permitted that such office may perform its public functions, and not with the idea of enabling the head of the office to devote his time to other public or private business. The theory of our state laws is to have a head of each office in charge at all times of its public business. Any arrangement made which is incompatible with that theory makes such an incompatibility as between two offices, that prevents one person from acting as the head of those two offices. Hence the answer to the whole question is in the negative on both points in the question.

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SOME OF THE NEW STATE LAWS THAT BECAME EFFECTIVE ON JUNE 13, 1919

A number of the laws which were enacted by the legislature of 1919, have no special interest to the taxpayers and will not be mentioned in this article, nor will space permit the publication of the entire list of laws which were so enacted. A few of the more important special laws are referred to in what follows:

The Commission of State Institutions will no longer exist as such after July first, 1919. A new Board of Directors of State Institutions will perform many of the functions performed by that commission. This Board of Directors seems to have been given full charge and control of the State Fair, the Hospital for the Insane, the Industrial School, the Pioneers' Home, the Capital Building and grounds, and (as the act reads) "all other charitable, reformatory, penal institutions that are or shall be by law established by the state of Arizona, and together with such other state institutions for which no management is otherwise provided by law." One important change seems to be that control of the highways is not mentioned in the new law, evidently leaving that control to the State Engineer's Department.

Senate Bill 30, which is commonly known as the "Budget Law," becomes law with the other acts. The budget features of that law will not become actually effective at this time, except that to make the budget portion effective, the bill does require of all state institutions, commissions, offices, and other public activities having control of the expenditure of any state funds to install an exhaustive system of bookkeeping and accounting as to those activities. It will cover actual expenditures, all contracts which encumber available funds to future expenditures therefrom.

It covers in detail such a full system of accounts and accounting, commencing with the new fiscal year, July first, 1919, and will pave the way for an actual budget to be prepared for the use of the next legislature. Immediately connected with the operations of public agencies under Senate Bill 30, are the provisions of Senate Bill 90. The latter bill has been quite frequently analyzed in this Magazine. The two laws taken together, when once in practical effect and full operation, will go a long way towards keeping the public advised in public reports, just where their public funds went, and likewise enlighten the public as to just how much it should cost to maintain public institutions and other public activities.

In connection with the schools of this state there are several new laws. Paragraph 2815 has been amended so as to increase the state common school fund from \$500,000.00 to \$750,000.00 per annum to be distributed to the several counties according to the school census of each. To this the general appropriation bill adds \$125,000.00 per year for the two coming fiscal years. The county scholarship fund, which is a fund to provide for scholarships from each county to some student from that county to attend the University, has been increased from \$150.00 to \$500.00 per scholarship. These scholarships will now be worth striving for among high school pupils who desire to attend the University at state expense. Senate Bill 95, provides for "part time schools" for the benefit of pupils who may be employed during regular hours; the expense of such schools is to be borne on a co-operative basis of seventy-five per cent by the Federal and the remaining twenty-five per cent from state school funds available for the promotion of vocational education. Provision made in Senate Bill 191 for ten dollars per month to be expended towards the education of children who are "inaccessible to schools." Senate Bill 195 provides for "compulsory kindergarten" in the schools upon petitions of parents in school districts.

Senate Bill No. 45, is an amendment to the county salary law of 1917. It stands upon a different footing with respect to the time within which it will be effective, than did the 1917 law. Under recent decisions of the Supreme Court, the 1917 law will continue the salary law which fixes the salaries of all county officers elected or appointed for fixed terms. The new law will not go into effect until new terms of offices begin, which will be in January, 1921.

RT

AUG 18. 1919

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Phoenix, Ariz.
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ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS' MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME SIX

PHOENIX, ARIZONA, JULY, 1919

NUMBER SEVEN

Total Assessed Valuation of Stocks of Merchandise in Arizona, and Percentage of Total State Valuations for Years 1913 to 1918 Inclusive

Year	Total Valuation	Percentage of Total State Valuation
1913	\$ 9,829,984.66	2.6
1914	11,974,720.81	2.9
1915	11,394,300.43	2.7
1916	12,230,767.31	2.5
1917	15,668,997.65	2.2
1918	22,297,475.02	2.66

As Compared With the Total Valuations of All Taxable Property of the State, and With Valuation Increased from \$9,829,984.66 in 1913 to \$22,297,475.02 in 1918, the Percentage as to "Stocks of Merchandise" Increased Only from 2.6 to 2.66

EDITORIAL COMMENT

A General Review of the County Estimates For 1919 Tax Levies

WITH all the increased amounts which will be added to the county assessment rolls on account of interest and sinking funds of new bond issues in counties, it behooves the county officials to closely scan the levies for ordinary county purposes, such as general and road fund purposes, and see to it that the amounts raised for these purposes are not only within the limits of actual necessities, but that they do not in any event exceed the limits of ten per centum over last year's levies and actual tax collections to the two funds named.

In several of the counties the published estimates show a lapse back into the old way of figuring the amount of ten per cent increase to the county road, and county general funds. That way of adding to the taxes collected to those funds, the actual revenues collected, adding ten per cent to the total, and then estimating the revenues from other sources at greatly reduced figures, leaving as an amount to be levied and collected by taxation, greatly in excess and more than ten per centum in excess of the actual tax levy and collection of last year. The law which applies to this matter was construed by the Supreme Court in the case "Arizona Eastern R.R. Co. v. Graham County," decided in February, 1918. Construing that law, the Court says:

"The legislature is the source of the taxing power, and, without grant from it, no taxes can be levied or collected. It has seen fit to limit this power, except in certain enumerated cases, SO THAT THE BURDEN ON THE TAXPAYER FOR THE CURRENT YEAR MAY NOT BE MORE THAN TEN PER CENTUM GREATER THAN THE PRECEDING YEAR. This was done in the interest of the taxpayer, a policy based upon common sense and reason, and upon an experience and knowledge that, unless some restraint be placed upon counties, the burdens of taxation may be severely hard upon taxpayers. To emphasize the mandatory and prohibitory character of the requirements of the tax levying statute, the legislature, in section 4843, provided that any officer violating any of the provisions of section 4840, 4841 and 4842,

should be guilty of a misdemeanor."

"The board of supervisors, in levying taxes for all county purposes in the year 1915, WAS AUTHORIZED TO EXCEED THE LEVY OF THE PRECEDING YEAR BY TEN PER CENTUM AND NO MORE AND ANY EXCESS OVER THAT AMOUNT CONTAINED IN THE LEVY WAS BEYOND ITS JURISDICTION."

There is the law as declared by the Supreme Court. There is no reason for misconstruing the meaning of the words: "was authorized to exceed the levy of the previous year ten per centum and no more." Meaning plainly that the tax levy of the previous year, with ten per cent added thereto, is a maximum not to be exceeded in the amount to be levied this year.

Just why county officials should continue to try and evade the effect of the above decision is not the question to be answered. No reason is sufficient for that evasion. The same Court decision also covers that feature, when it says:

"If the board of supervisors can expand the limit fixed by law for one purpose, it can do the same for any and all county purposes. If the board may ignore the statute for one purpose, then it is frittered away, and the burden of taxation which it was intended to curb, may be extended without limit."

Taxpayers certainly have the right to the benefit of the law, without assigning reason why they claim that right.

BALANCES AND SURPLUS FUNDS SHOULD BE DEDUCTED FOR TAX LEVIES

Another feature which appears in connection with the published estimates, and that is with respect to balances on hand in school funds, as of July first, 1919. It appears that the balances of the funds of particular districts are constantly increasing. It appears that the balances in the county treasuries to the credit of the county school fund, has also increased in many of the counties. It appears that several of the counties fail to take into account this situation, fail to give any credit for balances in the county treasury in school fund, and propose to levy an amount equal to the

entire new school budget of the county. This course of action draws extra fund into the county treasury, an extra amount not needed for support of the school, evidenced by the balance unexpended from last year. Taxpayers are thus deprived of the use of money for no real purpose at all except to create idle public funds.

The taxpayers of Maricopa, Coconino, Yavapai, Pima and Santa Cruz counties are still interested in the matter of the disposition of the revenues derived from the one million acre land grant fund, intended to provide for payment of the interest upon the validated bonds of those counties, refunded by the state. As pointed out some time ago, there is in the state treasury an amount sufficient to more than pay the interest upon those refunded bonds. Last year a levy was made for interest, before it was discovered that the above funds were already in sight. The counties interested will await the developments in official action respecting levy, or non-levy, upon the tax rolls of 1919 for the purposes of those bonds.

Bearing Upon the Question of State Interest Upon Registered Warrants

IT HAS been brought to public notice that the state is paying upon registered warrants interest ranging from \$15,000.00 to \$50,000.00 per annum and the question of possible remedy for that situation is one open for discussion.

Under our system of taxation and collection of taxes each county collects for the state the latter's taxes raised for state purposes. There is of course every year a certain amount of delinquent uncollected taxes—both state and county—which are not produced by those rolls, due to the fact that the taxes are not in fact collected. It is safe to say, however, that the delinquent taxes which are in fact collected in one year due to non-payment of taxes during the time the rolls of a year are actually in process of collection, but which com

into the county treasury for previous years, do in the long run equalize the situation, and finally liquidate outstanding warrants, which are the result solely of delinquent taxes.

Our system of taxation is based upon the theory that every tax levy is valid, as supported by law which makes it imperative that a tax-payer who desires to contest the legality of any tax against his property, must first pay the amount assessed. The policy and purpose of this law is to prevent public activities being tied up for lack of funds, pending litigation over the validity of particular taxes. That policy should apply to state taxes as well as to county taxes. If taxes are in fact collected by counties, that same policy to be fully effective requires that the various counties, as tax-collecting agencies of the state, forthwith pay to the state all state taxes collected. If for any reason taxes collected are not remitted to the state treasurer, the state is deprived of the use of funds for state purposes, actually collected for those purposes, but not actually in the treasury of the state, and is forced to pay interest upon state warrants. The state is paying five per cent interest, and the county treasurers are reaping interest at the rate of only two per cent to the benefit of their counties as interest upon balances allowed by the banks in which county funds are kept.

No particular attention was paid to the above situation until recently a distribution of State County School funds was made. The Auditor had no other duty than to draw the warrants. When the warrants reached the State Treasurer, it was discovered that there were not funds actually in the treasury available in the State Common School fund, out of which to pay those warrants. The

magnitude of amount of warrants which required registry, was sufficient for an inquiry as to cause of why the money was not in hand. It was found that county treasurers were withholding taxes, the legality of levy of which was in suit.

The fact that this situation has been discovered, may work out to the relief of the state from payment of interest on registered state warrants. The fact that the situation had not been discovered before is a fact which involves a question not so easily answered. The answer to that question lies in discovering who it was during the years past had failed to discover the fact that the state was not getting its tax money at times when it should have had it. The answer cannot be made without showing inefficiency in some quarter among state officers.

There is still another feature respecting remittance from counties to state of state tax funds. The actual practice has been for county treasurers to make final settlements and remittances once a year. Other remittances were and are under existing laws, construed to be more or less voluntary and so construed by county treasurers. The idea of the latter is that their localities, local banks, and business men, should have the benefit of the use of tax funds—state taxes referred to—just as long as that use is consistent with the strict reading of the law. Thus they remit finally, at a time when they can no longer withhold state funds. This article is not going into an argument of the "law of the case," is not going to attempt to argue away the possible "letter of the law" in favor of the real spirit of the law. The broad assertion is going to be made, that just so long as County Treasurers are agents of the

State for the collection of State taxes, the good faith of the situation requires, that they remit those collections diligently after making them. These officials know that the state cannot pay its bills without funds. They know that the source of these funds is the tax money collected in the counties. They know that state activities must treat the amount of state taxes upon the rolls, as amounts available to meet the expenses of those activities. Must know also that activities must either cease for lack of funds, or, if continued, result in registered state warrants.

The inherent principles which should control the relation as between state and county officials demands promptness in the matter of remittances of money due each.

If officials fail to recognize the real relations which should exist. If they continue to so act under any claim of sanction in law for such action, and in so doing increase the amount of interest to be paid upon state warrants, registered for lack of funds, then it is high time the legislature use such mandatory words, followed possibly by penalizing words, that will effectively remove any possibility that the state will continue to pay interest upon its obligations, at times when funds belonging to the state, are actually in the county treasuries, withheld and not remitted by county treasurers.

It is unfortunate that taxes are ever delinquent and not paid. No remedy for that public misfortune has ever been discovered. Surely adequate remedy may be discovered, that the delinquencies of tax collectors in the matter of failure to remit tax money actually collected, will not continue as a source of interest burden upon the taxpayers who do pay promptly.

As to Power to Issue and Sell County Bonds

SECOND ISSUES of counties affect not only the present population—taxpayers—but the future people of this state who will be called upon to pay the bonds.

The credit of the state, its counties, and municipalities, for the present, and for the future, is involved in every bond issue which is sold. At the present time the credit of Arizona stands high in the bond market. The history of sales of bonds since statehood, has, with few exceptions, been that bonds have sold at a premium. It is highly

desirable that this condition of financial credit be maintained.

In the past, great care has been taken, to vote bonds, and sell bonds, strictly in accordance with existing laws upon those subjects. By so doing no question can be raised at the present time or in the future as to the validity of bond issues.

The Supreme Court of the state in the case, Board of Supervisors v Hawkins, decided in 1914, construed and applied Chapter II, Title 52 of Revised Statutes of 1913. The Court there

says:

"The general rule is that a county may not issue bonds unless the power is specifically conferred by law, or unless the power is necessarily implied from the law relating to the powers of counties." This power, then, as affecting the question before us, is to be determined by a review of Chapter 2, of Title 52, civil code 1913, to ascertain if the authority of the county to create an indebtedness and issue its bonds as evidence thereof is specifically

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Power to Issue Bonds

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cally granted by law, or is necessarily implied therefrom. The construction or reconstruction of roads, bridges, and highways, and the construction of public buildings generally involve large expenditures, and the legislature has very properly lodged the power in the legally qualified taxpayers to say by their vote whether they care to assume the obligations before they are contracted."

Further language in the decision applies that Chapter 2, to all county bonds, whether the prior indebtedness is more or less than four per centum of the valuation of the taxable property of the county.

With this decision in mind, no attempt should be made by any board of supervisors, to create a bonded indebtedness for road purposes, nor for county hospitals, nor other county buildings, except the matter be first submitted to and voted upon favorably by the taxpayers of the county. The fact that a buyer for such a bond issue might be found, does not change the situation. Such an unauthorized issue speaks for trouble in the future, and any litigation involving bond issues, has a ten-

dency to impair the credit of every county.

That same law above mentioned provides the express manner in which the bonds, when first authorized by vote of the people, shall be advertised by the board of supervisors, and sold for "not less than par with accrued interest." This procedure contemplates that the county may possibly, under competitive bidding, sell bonds for more than par. The board of supervisors has no power to enter into contract with any firm for a sale of county bonds, either before or after the issue is voted upon. Its

only powers are to advertise and sell to the highest bidder, with no power at all to sell even then if the highest bid is not par with accrued interest.

This article was written, in view of reports that one county of the state has entered into a contract to sell a road bond issue, in advance of an election authorizing those bonds; and another county board has attempted to place a road bond issue, and a county hospital bond issue, upon the market, without any election at all. Such attempt should be stopped, before actual difficulties are encountered.

An Itemized List of All Appropriations for the Fiscal Year Ending June 30, 1920, Together With a Statement Showing the Actual and Estimated Amounts Which Will Accrue to the Various Funds From Sources Other Than Direct Property Taxes, During Same Fiscal Year

THE estimate or proposed budget which is printed below, is not final. Will not be final until acted upon by the State Board of Equalization. On the face of the figures presented the total appropriations of all kinds amount to \$5,832,946.10. From this amount there will undoubtedly be deducted the amount shown as total of "other sources of revenues," \$539,861.63. Those other sources of revenues which are included in that total do not include balances actually in continuing funds, for continuing current purposes, nor balances actually in the general fund, received therein from remittances from county treasurers since July first, but actually due the state for last year's purposes. These balances and these remittances will increase the item, "other sources of revenues," and in so doing will decrease the total to be raised by taxation upon the rolls for 1919, for state purposes.

No comment will be made at this time by way of comparison of amounts to be raised this year to meet the appropriations of the 1919 Legislature, with appropriations for years following previous legislative sessions. A critical study will have to be made of each item of appropriation, as to its objects and purposes, and those objects and purposes considered in the light of public necessities to the end of furthering necessary activities of the state, and for the ultimate development of the state. Hoping that such study will prove the necessity exists, it then remains for administrative officers to see to it that each and

every one of the 1919 appropriation are expended economically to the end that the purpose to be attained is attained without extravagance or unnecessary expenditure.

GENERAL FUND

Name of Appropriation	Amount
Arizona Corporation Commission:	
Salary, Members	\$ 9,000.00
Contingent Expense	40,120.00

Arizona Historian:

Salary, Historian	2,400.00
Contingent Expense	7,000.00

Ariz. Agri. & Horti. Commission:

Contingent Expense	31,675.00
Automobile Expense	1,000.00

Ariz. Pioneers' Historical Soc.

1,825.00

Attorney General's Dept.:

Salary, Attorney General	4,000.00
Salary, Ass't Att'y General	2,500.00
Salary, Law Clerk	1,800.00
Office Expense	1,000.00
Salary, Stenographers	2,700.00
Contingent Expense	7,200.00
Additional Counsel	2,500.00
Traveling Expense	1,800.00

Auditor's Department:

Salary, Auditor	3,000.00
Salary, Deputy Auditor	2,700.00
Salary, Bookkeeper	2,400.00
Salary, Chief Warrant Reg.	1,800.00
Salary, 3 Warrant Regs.	4,500.00
Salary, Stenographer	1,500.00
Contingent Expense	2,000.00
Salary, Bank Examiner	3,000.00
Salary, Ass't Bank Exam.	2,400.00
Office Exp. Banking Dept.	1,000.00
Traveling Expense	4,000.00

(Continued on Page Five)

State School Funds as Heretofore and Hereafter Available to Counties

The following table shows the amounts of State Common school funds actually apportioned and made available to counties for the fiscal year commencing July 1st, 1918, ending June 30th, 1919.

County	No. Census Children	Am't Apportioned Jan. 13, 1919	Am't Apportioned May 12, 1919
Apache	1,344	\$ 6,988.80	\$ 8,198.40
Cochise	12,677	65,920.40	77,329.70
Coconino	1,504	7,820.80	9,174.40
Gila	6,231	32,401.20	38,009.10
Graham	3,271	17,009.20	19,953.10
Greenlee	5,164	26,852.80	31,500.40
Maricopa	18,035	93,782.00	110,013.50
Mohave	1,061	5,517.20	6,472.10
Navajo	2,560	13,312.00	15,616.00
Pima	7,340	38,168.00	44,774.00
Pinal	3,931	20,441.20	23,979.10
Santa Cruz	2,734	14,216.80	16,677.40
Yavapai	4,854	25,240.80	29,609.40
Yuma	2,992	15,558.40	18,251.20
Total	73,698	383,229.60	449,557.80

The apportionment of date January 13, 1919, was made at the rate of \$5.20 for each child between the ages of 6 and 21 years. The apportionment of date May 12, 1919, was made at rate of \$6.10 on same basis.

In connection with the state common school funds which will be available for the present year, that is the year which commenced July 1, 1919, and ends June 30, 1920, the Superintendent of Public Instruction has sent to County School Superintendents a communication which is given in full as follows:

"In making an approximate estimate of the State School Funds to be apportioned to the various counties of the State during the school year beginning July 1, 1919, and ending June 30, 1920, one of the things I have taken into consideration is an opinion given under date of June 4th by the Attorney General to the State Auditor. In this opinion, the Attorney General advises in part as follows:

"You called my attention to the amount appropriated for the Common School Fund, and in response to your inquiry will state that House Bill No. 3, which is Chapter 30 in the new laws now being published, makes an appropriation of \$750,000.00 per annum by amending Paragraph 2815, Revised Statutes 1913, and fixing that amount by said amendment to be annually raised by tax levy for said purpose. That Act was approved Feb. 28, 1919. Later in the session House Bill No. 90 was enacted in order to meet its provisions the Legislature incorporated in the general ap-

propriation bill the present Section 45 as passed which makes an additional appropriation of \$125,000.00 per annum for the succeeding two years in addition to the above first named sum, making \$875,000 as the annual appropriation for each of the next two years. That aggregate sum to be raised by taxation, will be diminished by the amount which will come into the common school fund from the rentals of school lands and interest on permanent school funds which will be about \$125,000 annually as estimated when said Section 45 was adopted by the Legislature."

"As I understand it, the Attorney General, as above quoted, advises \$875,000.00 is to be raised annually for the State School Fund, but approximately only \$750,000 of this is to be raised by tax levy. The other \$125,000.00 will come in from rentals of school lands, interest on permanent State School funds, Escheated Estates, etc. From this \$875,000.00 I have taken \$112,777.00 for salaries, office expenses, State Board of Examiners, State Board of Education, teachers' pensions, traveling expenses, text books, blind children under school age, patriotism, and the N. E. A., leaving \$762,223.00 to be apportioned to the various counties. I am en-

(Continued on Page Six)

STATE BUDGET (Continued from Page Four)

Board of Bar Examiners:	
Per Diem and Expense	400.00
Board of Dental Examiners:	
Per Diem and Expense	1,500.00
Board of Directors	25,000.00
Board of Pardons and Paroles:	
Per Diem and Expense	*1,000.00
Capitol Building and Grounds:	
Maintenance and Imp.	45,000.00
Cooperation with U. S. Biological Survey	50,000.00
County Scholarships	7,000.00
County Fair Assistance	14,000.00
Court Commissioners	*100.00
Dairy Commissioner	10,350.00
Education Deaf, Dumb & Blind:	
University of Arizona	31,550.00
Board of Education	5,000.00
Governor's Department:	
Salary of Governor	6,500.00
Salary, Secretary	3,000.00
Clerical Assistance	6,500.00
Contingent Expense	6,000.00
Exp., Annual Conference	500.00
Publication Proclamations	1,000.00
Automobile Expense	3,600.00
Executive Budget	5,000.00
High School and Normals:	
To Encourage Vocational Pursuits	*70,000.00
Inspector of Weights and Measures:	
Salary, Inspector	2,000.00
Salary, Clerk	1,200.00
Office & Trav. Expense	1,500.00
Law and Leg. Ref. Librarian:	
Salary, Librarian	2,700.00
Salary, Ass't Librarian	1,800.00
Clerical Assistance	1,200.00
Expense Attending Natl. Commission on Uniform Laws	150.00
Live Stock Sanitary Board:	
Salary, Secretary	2,400.00
Salary, Recording Clerk	1,800.00
Salary, Bookkeeper	1,800.00
Salary, Stenographer	1,500.00
Office and Trav. Exp.	2,625.00
Per Diem and Mileage for Members	1,000.00
Re-recording of Brands	4,350.00
Loans to Counties	*No estimates furnished
National Guard	*50,000.00
Normal and High School Cadet Commission	12,000.00
Premiums on Bonds of State Officials	*550.00
Printing Reports, Supreme Ct.	*750.00
Printing Repts., State Officials	*7,500.00
Secretary of State's Department:	
Salary, Secretary of State	3,500.00
Sal., Ass't Sec'y of State	3,000.00
Sal., Two Stenographers	3,000.00
Contingent Exp. & Print.	

(Continued on Page Six)

State School Funds---Continued from Page Five

closing a statement showing an apportionment (column a) to the counties of this amount, based on census reports furnished me by the County School Superintendents.

"The apportionment for your county you will see from the enclosed statement (column a) is \$..... From this I think you should probably deduct at least 5%, leaving an estimate (column b) of \$..... for your county. There is some in addition to this, perhaps \$30,000 or \$40,000 for the entire state that may come in for the school from the Forest Re-

serve, but there is considerable uncertainty as to the amount that may accrue from this source and also some uncertainty as to its application (heretofore it has been divided—part going to the Roads and part to the Schools). In any event the money from the Forest Reserve will be so small that I have not included it in making this apportionment estimate.

"Yours very truly,
"C. O. CASE,

"State Superintendent of Public Instruction."

County	No. Census Children	"A" Amount Apportioned	"B" Amount Apportioned
Apache	1,487	\$ 14,126.50	\$ 13,420.175
Cochise	12,387	117,767.50	111,792.675
Coconino	1,440	13,680.00	12,996.00
Gila	6,123	58,168.50	55,260.075
Graham	3,349	31,815.50	30,224.725
Greenlee	5,017	47,661.50	45,278.425
Maricopa	20,869	198,225.50	188,342.725
Mohave	1,059	10,060.50	9,557.475
Navajo	2,808	26,676.00	25,342.20
Pima	7,400	70,300.00	66,785.00
Pinal	3,713	35,273.50	33,509.825
Santa Cruz	5,707	24,216.50	21,505.675
Yavapai	5,086	48,317.00	45,901.15
Yuma	3,789	35,995.50	34,395.725
Totals	80,234	\$762,223.00	\$724,311.85

"In the foregoing tabulation amounts in column "B" are obtained by deducting 5% from amounts in column "A" and are the approximate

estimates of apportionments the various counties of the State will receive during the year beginning July 1, 1919 and ending June 30, 1920."

Assuming for the purposes of this article that the opinion of the Attorney General is correct, and that the total amount which will be available in the state common school fund for the present year will aggregate only \$875,000, that out of this will come the salaries and expenses of the state office, of free text books and the like, there is no basis found in any report from the State Superintendent of Schools, nor other state office, which warrants the assertion that \$112,777.00 will be required to pay those deductions from the common school fund mentioned in the above letter. The actual expenditures in the past have been between \$35,000.00 and \$65,000.00 per year for deductions made before an apportionment of school funds to the counties.

There is no warrant for the assertion that the portion of "the forest reserve funds" paid into state school funds may go to "state road funds." Those funds

received from the United States and which go to the state school fund are first, last and all the time school funds. There is still another amount which comes from the same source—forest reserve funds—which goes to the counties, and which is by the county boards of supervisors divided up to their liking between the roads and the schools. For the fiscal year 1917-1918, the state school fund was increased by \$42,844.80 on account of forest reserve funds, and there is no reason to apprehend that this amount will decrease, and with demands for timber constantly increasing, there is every reason to believe the amount will increase each year in the future, as it has increased each year in the past.

The figures which go to make up the two classes of so-called "Forest Reserve Funds," are at hand. The several counties entitled to funds will receive (Continued on Page Seven)

STATE BUDGET (Continued from Page Five)

ing Constitution	2,500.00
Motor Vehicle Dept.	12,500.00
Motor Vehicle Dept., Salary, Cashier	2,000.00
Motor Vehicle Dept., Salary, Rate Clerk	1,800.00
Additional Clerical Assistance, etc.	1,000.00
Publication of Session Laws 1919	2,000.00
Publication of Session Laws 1915	500.00
Sheep Sanitary Commission:	
Contingent Expense	4,500.00
Additional Appropriation ..	5,000.00
State Engineer:	
Salary, Engineer	3,000.00
Traveling Expense	2,500.00
State Examiner:	
Salary, Examiner	2,500.00
Salary, Deputy Examiner ..	2,100.00
Traveling Exp., Examiner ..	1,600.00
Trav. Exp., Dep. Examiner ..	1,600.00
Contingent Expense	1,200.00
State Game Warden:	
Salary, Warden	1,800.00
Salary, Office Deputy	1,200.00
Traveling Exp., Warden	1,000.00
State Laboratory:	
Salary, Director	1,800.00
General Expense	2,700.00
State Land Department:	
Salaries and Maintenance ..	55,250.00
Cooperation with U.S.R.S.	100,000.00
Water for Dry Farms	10,000.00
State Mine Inspector:	
Salary, Inspector	3,000.00
Salary, Three Deputies	7,200.00
Office Expense	1,800.00
Trav. Exp., Inspector and Deputies	5,600.00
State Tax Commission:	
Salary, Commissioners	9,000.00
Salary, Secretary	2,700.00
Salary, Clerk	1,500.00
Contingent Expense	*8,500.00
Office Expense	*1,500.00
Traveling Expense	*3,500.00
Board of Equalization	*1,000.00
State Treasurer's Department:	
Salary, Treasurer	3,000.00
Salary, Deputy Treasurer ..	2,700.00
Salary, 2 Stenographers	3,000.00
Office Expense	1,600.00
State Veterinarian:	
Salary, Veterinarian	1,800.00
Contingent Expense	1,500.00
Dourine Eradication	2,500.00
Mileage	2,400.00
Superintendent of Public Health:	
Salary, Superintendent	1,000.00
Salary, Registrar Vital Statistics	1,000.00

(Continued on Page Seven)

State School Funds---Continued from Page Six

five \$112,521.00 to be by the respective boards of supervisors divided between county roads and county school funds of 1919. The amount which rises from sales of timber upon school section lands in the Forest Reserves is actually \$59,654.00 for the year 1919, an increase of \$16,809.90 over last year's amount — \$42,844.10. This \$59,654.00 goes directly to State Commission School fund, and under opinion referred to by State Superintendent, will decrease the State levy to State Commission School fund by \$59,654.00, in addition to other decreases due to other avenues to that fund, such as school land rentals, and interest on loans from school land funds.

It also is not apparent where the five per cent deduction will come in. Having first deducted some fifty thousand dollars more than the actual expenditures made from the state school funds in any year. Having done so when the

actual amount of the aggregate of \$875,000 is reduced by \$112,777.00 to \$762,223.00. What basis is there for further deduction. Why should it be suggested to the counties that they add to levies for school purposes a fictitious amount upon the county levies, equal to five per cent of the total amount shown to be available from state funds to be apportioned to those counties? The tax burdens of the state for the coming year are going to be heavy enough when tax levies are made and paid to meet actual appropriations. This is no year for rounding up the tax budget and making it full and running over "for good measure," or for any other reason. The matter of an extra \$75,000.00 for this purpose and a like amount for another purpose, when the reason for extra amount cannot be, or is not, specified, is under present conditions, ample reason why those extra amounts should not be included in tax levies.

Valuations of Property of Arizona for Tax Purposes for Year 1919-1920, Subject to Change by the State Board of Equalization

THESE figures are not final. Individual taxpayers may still appear before the state board of equalization with applications for reducing amounts of assessments, and it may appear to the board that some valuations should be increased. For practical purposes the figures given will serve the purpose of giving the taxpayers of the state an ap-

proximate idea of the amount of assessed valuation which will be used to make a rate of taxation, to meet the state budget. The figures of the budget, as proposed, and as required by general, specific, and open appropriations, for state purposes also appears in this issue of the Magazine.

NET VALUATION

County	Year 1918	Year 1919
Apache	\$ 8,601,366.40	\$8,622,050.40
Cochise	169,348,466.17	173,973,198.29
Cocconino	20,359,245.53	20,813,967.55
Gila	163,647,782.48	158,084,372.11
Graham	13,165,299.52	13,096,738.10
Greenlee	44,441,780.34	44,408,423.20
Maricopa	97,367,007.13	99,692,498.00
Mohave	22,074,655.38	23,249,326.19
Navajo	10,925,900.68	12,171,673.00
Pima	61,645,110.64	64,466,880.00
Pinal	63,224,173.72	69,237,160.00
Santa Cruz	10,619,611.78	11,285,196.80
Yavapai	130,575,381.62	133,773,668.47
Yuma	18,124,750.83	19,818,469.28
Total	\$834,020,532.22	\$852,694,296.39

INCREASED VALUATION FOR PRESENT YEAR

\$18,673,964.17

STATE BUDGET (Continued from Page Six)

Office Expense	2,000.00
Venerable Disease Work	2,250.00
Tuberculosis and Child Welfare Work	5,000.00
Rural Sanitation	2,250.00
Publicity Work	2,200.00
Public Health Lectures	1,000.00
Clerical Assistance	3,000.00
Mileage	*2,400.00
Superior Court Judges:	
Salaries	27,400.00
Expense while acting as Supreme Court Judge	* 250.00
Supreme Court:	
Salaries, Judges	15,000.00
Salary, Clerk	2,700.00
Salary, Stenographers	5,000.00
Salary, Bailiff	1,600.00
Salary, Reporter	1,200.00
Contingent Expense	1,000.00
Vocational Education:	
Department Salaries and Expense	7,100.00
Smith-Hughes Act	*150,000.00
Smith-Hughes Act	*20,000.00
Fourth State Legislature:	
Original Appropriation	65,000.00
Additional Appropriation	10,000.00
SPECIAL APPROPRIATIONS	
Arizona Resources Board	10,000.00
Arrowhead Trail	50,000.00
Asylum for the Insane:	
Completing Boiler Room	9,357.84
Asylum for the Insane:	
Additional Mtc. Apprpr.	40,000.00
Capitol Building:	
Completing New Building	30,000.00
Colorado River Bridge:	
Mohave County	40,000.00
Colorado River Bridge:	
Parker	30,000.00
Colo. R. Bridge (Approaches):	
Lee's Ferry	10,000.00
Experimental Well:	
San Simon Valley	15,000.00
Gila River Bridge:	
Graham County	65,000.00
Investigation of Irrigation Projects:	
San Simon, Sulphur Springs and San Pedro Valleys	10,000.00
Installing Headgates, etc.,	
White River	5,000.00
Northern Arizona Normal School:	
Completing Aud. Annex	24,716.72
Additional Mtc Appr.	15,000.00
Northern Arizona Fair	5,000.00
Oak Creek Bridge, Yavapai County	10,000.00
Painting Portraits of Certain Legislative Officials	400.00
Pioneers' Home:	
Add'l Mtc. Appropriation	10,000.00
Add'l Imp. Appropriation	2,968.00
Purchase of Automobile	1,100.00

(Continued on Page Eight)

STATE BUDGET

(Continued from Page Seven)

Maintenance of Auto	1,000.00
Rocky Mountain Club:	
Welcoming Returning Sold.	5,000.00
Sacaton-Florence Power Line	50,000.00
State Anthem	600.00
State Commissioner of Immigration	1,000.00
State Industrial School:	
Add'l Mtc. Appropriation	35,000.00
Building Girls' Dormitory	25,000.00
State Road Tax Fund:	
Additional Appropriation	200,000.00
Imprest Fund	45,000.00
State Smelter and Sampling Works	5,000.00
State Water Fund:	
Annual Appropriation	15,000.00
Special Appropriation	10,000.00
Superior-Miami Highway	100,000.00
Tempe Normal School:	
Reimbursing Mtc. Fund	26,896.79
University of Arizona:	
Completion of Woman's Dormitory	45,000.00
Williams-Clarkdale Highway:	
Building Road	25,000.00
Completing Survey	10,000.00
Emergency Appropriations for Maintenance of Various Departments for Fiscal Year Ending June 30, 1919	
Arizona Agricultural & Horticultural Commission	2,775.00
Auditor's Office	2,400.00
Governor's Office	4,500.00
Secretary of State's Office	8,263.00
Treasurer's Office	500.00
Superintendent Public Health	6,000.00
Relief Bills:	
22 Relief Bills, total	15,229.88
Interest on Registered Warrants	*25,000.00
General Fund Deficit as of June 30th, 1919	190,000.00
Interest on St. Louis Expo. Bonds	1,500.00
Total of General Fund	2,393,552.23

MISCELLANEOUS FUNDS

Name of Fund	Amount
Asylum for the Insane:	
Maintenance	120,000.00
Remodeling, Repairing and Renewals of Bldgs.	15,000.00
Building & Improvements	28,325.00
Bureau of Mines	31,000.00
Date Palm Orchard	3,175.00
Date Palm Orchard & Horticultural Station	5,925.00
Land and Improvements	12,500.00
Dry Farming	4,500.00
The Free Employment Office	2,500.00

Northern Arizona Normal School:

Maintenance	110,780.00
Improvement	10,000.00
Real Estate	13,225.00
Building	108,000.00

Pioneers' Home:

Maintenance	27,195.00
Building	32,850.00
Improvement	4,000.00

Plant Introduction

4,260.00

Prescott Dry Farm

6,090.00

State Prison:

Maintenance	145,000.00
Improvement	24,845.00

Sheep Tax

10,000.00

State Fair:

Maintenance & Imp. 65,000.00

Land

4,000.00

State Industrial School:

Maintenance

49,000.00

Building and Imp.

100,000.00

State Common School Fund:

875,000.00

Blind children under school

age

2,500.00

State Road Tax (Estimated) *

853,000.00

State Road Tax (Prison)

60,090.00

Salt River Valley Experimental Farm

16,510.00

Sulphur Springs Valley Dry Farm

4,490.00

Surface Water Investigation

3,000.00

Tempe Normal School:

Maintenance

116,500.00

Improvement

5,000.00

Repairs

3,950.00

Land

18,100.00

University of Arizona:

Maintenance

218,082.50

Improvement

41,950.00

Printing

9,000.00

Co-op. Agr. Exten.

7,433.71

Extension

25,160.00

Farm Mtc.

12,500.00

Farm Improvement

6,050.00

Campus and Green House

17,400.00

Campus Extension

25,000.00

Citrus Investigation

10,000.00

Deaf, Dumb & Blind Bldg.

97,500.00

Underflow Water Investiga...

2,400.00

Asylum for the Insane, Int....

1,000.00

Capitol Building, Interest

5,000.00

Interest on State Funded debt

32,938.76

University of Ariz., Int. (1901)

1,250.00

University of Ariz., Int. (1903)

550.00

Redemption Fund, State Funded Debt

23,958.90

Redemption Fund, St. Louis Expo. Bonds

2,500.00

Redemption Fund, U. of A. Bonds

2,500.00

Total Miscel. Funds

3,439,393.87

Total General Fund

2,393,552.23

Total of Appropriations

5,832,946.10

*—Estimated amounts

Actual and Estimated Revenue Receivable from Sources Other than Direct Taxes for the Fiscal Year Ending June 30th, 1920

General Fund	
Ariz. Corporation Commission	(a) 150,259.50
Auditor (Banking Dept)	(b) 10,500.00
Secretary of State	(a) 8,494.02
State Land Dept.	(a) 11,111.09
State Treasurer	(a) 23,576.10
Private Car Line Tax	(a) 32,224.28
Inheritance Tax	(a) 18,683.00
Legislative, Executive and Judicial Building Land Fund	(c) 1,857.08
School and Asylum, Deaf, Dumb & Blind Land Fund	(c) 2,539.69
Refund of Imprest Fund (Fair Mine Exhibit Bldg.)	(c) 5,000.00
Repayment of Loans to Counties	(d) 70,000.00
Total	334,244.78

Asylum for the Insane, Maintenance Fund, Transferred From Land Fund Rent. (c)	2,447.38
Northern Ariz. Normal School Maintenance Fund Transferred from Land Fund Rentals	(c) 2,570.62
Prison, Maintenance Fund Transferred From Land Fund Rentals	(c) 2,248.45
State Industrial School, Mtc. Fund Transferred From Land Fund Rentals	(c) 2,206.40
State Com. School Fund Trans. from Land Fund Rentals	(c) 136,673.06
Receipts from Sch. Sections in Nat'l Forests	(a) 42,844.80
Tempe Normal School, Mtc. Fund Trans. from Land Fund Rentals	(c) 2,570.62
University of Ariz. Mtc. Fund Tras. from Land Fund Rentals:	
Univ. Land Fd (c)	6,034.39
A. & M. College Land Fund (c)	3,738.21
School of Mines Land Fund (c)	4,282.90
Total	\$539,861.63

- (a)—Actual amount for fiscal year ending June 30, 1919;
 (b)—Estimated on New Bank Examination Fees;
 (c)—Actual;
 (d)—Estimated by State Treasurer, very conservative.

OCT 10 1919

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ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME SIX

PHOENIX, ARIZONA, AUGUST, 1919

NUMBER EIGHT

A PYRAMID FOR YEAR 1919

Showing the relative values of different classes of property and ratios which each bear to the total taxable property in Arizona, which ratio shows also the proportion of state and county taxes paid by each class.

Telephone and Telegraph Companies—

\$3,442,369.99

— .40%

Banks and Banking Institutions—

\$7,838,098.71

— .91%

Water Works, Street Rys., Gas and Electric Light, Power and Ice Plants—

\$8,444,896.24

— 98%

Stocks of Merchandise—

\$23,014,263.38

— 2.67%

All Other Property—

\$23,571,122.82

— 2.74%

Live Stock, including Cattle, Sheep, Goats, Horses, etc.—

\$42,200,045.25

— 4.90%

Lands and Improvements—

\$74,949,901.99

— 8.71%

Town Lots and Improvements—

\$80,597,114.62

— 9.36%

Railroads and Railroad Properties—

\$100,391,008.00

—11.67%

Mines (all kinds), Smelters, Concentrators, etc.—

\$496,262,860.93

—57.66%

TOTAL VALUATION—

\$860,711,681.93

—100.00%

(Total Assessed Valuations, with exemptions deducted, \$855,224,720.93)

EDITORIAL COMMENT

OUR STATE VALUATIONS FOR TAXATION

ON THE front page of this issue of our magazine appears the figures of valuations which have been equalized and which are the basis upon which taxes will be levied and collected for the present year, 1919.

Those valuations are distributed into the same general classifications of property which has been established as a means of use for comparative purposes year by year in former years.

That same table of figures shows the portion of taxes figured in percentages, which each such class bears to the entire property assessed for taxation purposes treated as one hundred per cent.

Compared with last year's figures—\$834,020,232.22 as the total valuation, this year's total assessed valuation reaches \$855,224,720.93. This shows an increase of \$21,204,488.71 for this year over the preceding year.

The total valuation of property assessed upon the tax rolls of 1912 was \$140,338,191.08. So far as values have increased since then so far as taxation

purposes are concerned the \$855,224,720.93 figures of the present year show an increase of over six hundred percent—that is more than six times the values for the first year of statehood.

The mining properties of the state, including producing and non-producing mines and claims, smelters and concentrators, still heads the list with a total assessed valuation of \$496,262,860.93 or 57.66 percent of the total state valuation. The railroad values have passed the \$100,000,000.00 mark. The important part which the values of railroad properties play in relation to taxation matters of the state, does not appear in the percentage of state taxes which those properties pay, so much as it will appear in relation to particular counties, cities and towns, which in some instances amounts to forty-five per cent of the total taxes.

To the outside world, the increased figures as to tax valuations presents a picture of increased growth and prosperity in Arizona, and adds to the credit

of the state in all ways as that credit is involved to outsiders.

The matter of increased taxes since statehood in this state presents still another view of the matter. Whether that view presents evidences of thrift, economy, and proper increase due only to actual growth and development of necessary state activities, depends upon so many lines written into the picture of the view, that comprehensive comment thereon, cannot be made in one article. An article or series of articles to cover that phase of increased taxation must cover all the "whys" and "wherefores" thereof, and require strict discussion as to the real necessity of each public activity, pursued to the end of the necessity thereof in the first instance, and also discussed with respect to the actual expenditures made, that the necessary purpose of each such activity may be accomplished. Such a discussion involves all the angles of the slogan of this Magazine, "Economy in public expenditures to the extent of proper efficiency in public activities."

Let the Public Reflect Upon the Fact That Public Demands Increase Taxes

GIVE the people what they want, give all the people what they ask for from the public, and they will be satisfied. This seems to have been the motto which has been followed by public officials when appropriations have been made for public purposes, and has passed without serious criticism for so long, that many public officials seem to feel that they have nothing to do with the aggregates of appropriations, no matter what that aggregate may be in its total amount. From one fiscal year to another, each county board of supervisors, each city council, and bi-ennially, each legislature is confronted with individual demands for special appropriations for public projects; demands which have the apparent support of some portion of the people, and find before them so many of such demands, that when the annual budgets are under consideration, great difficulty is to be encountered

if an attempt is made to prune out such portions of those demands as are not really necessary to the public good. The motto for action above referred to stands before them so strongly, that considerations of real public requirements as to expenditures, consideration of such matters as final tax burdens upon that whole public should all such demands be provided for, other considerations in the interests of real public economy, are overshadowed. The result in the past has been a constantly increasing tax burden upon the people, and the result which now reflects itself in increased state, county, and city rates of taxation for the ensuing fiscal year when traced to its real cause will get right back to that one policy of attempting to follow that motto.

To Meet All Public Demands, High Taxes Must Result

A state tax rate of sixty cents per

hundred upon a total valuation of taxable property in the state of \$852,000,000.00 will produce over \$5,100,000.00 as the amount which the taxpayers of the state will be called upon to pay to meet the demands of the state for the fiscal year 1919-1920. It matters not that those demands consist of items arising from deficits and overdrafts to funds appropriated for previous years. It matters not that the extra cost of supplies and materials which must be purchased with portions of that amount has contributed to the aggregate; it matters not, that the legislature refused to turn a deaf ear to many requests for special appropriations of possible doubtful public character as distinguished from local importance; it matters not, that taxpayers who may now investigate the items which in the aggregate make up the total of over \$5,100,000.00 and

appear upon their individual assessments against their individual property at the rate of sixty cents per hundred of the valuation of latter, may well criticize particular appropriations for any reason at all. The results are final. The rate is conclusive. The taxpayer must pay.

Indifference of General Public Considered as One Cause of High Tax Rates.

If it be suggested that the individual taxpayer is now called upon to pay for the results of his own indifference in the past, such a suggestion will undoubtedly be criticised by those taxpayers. Experience has demonstrated that no man likes to be confronted with his own shortcomings, and in the light of that experience, the suggestion here made certainly does ignore the proposition that men do not like to hear the truth about themselves. But the taxpayers of the state as an entirety have a common interest in the matters referred to in this article. They are "public partners", so to speak, not only as to the matter of what shall be done for the building up of the state, but as to just how fast and how far the state may go each year in the line of its public activities without burdening its private activities, as to apparently progress in the one, at the expense of crippling the other. The taxpayers of the state, having in mind the energies of the people of the state which

in the past has brought into existence taxable property to a value of over \$852,000,000.00, are or should be no more than a continuously acting committee of the whole on finances, private and public, and should so act at all times that the drain of taxes will not at any time become such a burden, as will stay the progress and development of the values of individual efforts towards further increased values of property in the state.

Citizens Should Watch Proposed Appropriations and Consider Their Necessity

That public should be at all times watchful as to real conditions which will affect the business affairs in the state, those conditions which now as in the past, will always affect every citizen of the state whose individual welfare is directly or indirectly dependent upon business conditions as they actually exist from time to time. There is no escaping the fact that any extra burden upon any business enterprise, must and will reflect itself sooner or later upon that business. Extra burdens mean higher prices to consumers. Unnecessary extra burdens from taxation ultimately means extra cost of living to consumers, whether the latter are taxpayers or not. Increased taxes mean higher rents. Increased taxation means greater cost to every home-builder in the state who anticipates a change from ten-

ant to a home owned by himself or herself. Without going outside of the matter of taxation in its effect upon high prices, or "the high cost of living" it may surely be said that no matter how that perplexing subject last referred to is finally disposed of, the question of taxes, which are actually a burden upon property and upon business, will always remain a question which cannot be eliminated. Taxes will, in other words, always remain as one of the always existing and always to be considered expenses of legitimate business, in any estimate, rule, or procedure, that may be established in an attempt to determine fair business profits. Thus it is, that every citizen, whether a taxpayer or not, is or should be an active member of the whole public with a particular duty to see to it that public appropriations are not made except for real public purposes. With a duty to see to it that those public appropriations do not grow in amounts faster than the real prosperity of the private business, and private endeavors of a financial nature, can contribute thereto without crippling effect thereon.

Let each taxpayer duly reflect upon what he did or failed to do. Let him resolve to act in the future at a time when action will be effective. If he does so, taxpaying time will be one of less surprises and more satisfaction. Each taxpayer will then be paying for what he feels that the public needs.

A Sixty Cent Tax Rate as a Result of Appropriating Legislation

WHEN the taxpayers of the state are confronted with a state tax rate of sixty cents per hundred of valuation of taxable property their first impression will be that such rate is inexcusably large. Whether that impression is true or not depends upon the real facts as to what the money to be raised by that levy will be expended for. The question of how it did happen, with details of reasons included in the "how" of it, may then answered explain some portions of the question.

Legislature Had to appropriate to Meet Old Deficits

It is certain that the institutions of this state must be supported. It is equally certain that the state must pay its debts, even when those debts are the result of over-expenditures which have produced deficits from previous years. The controlling question as to why those deficits happened; whether from extravagance on the part of administrative officers who created them, or for other

reasons, enters into the result that those deficits must be paid. When the legislature of 1919 first assembled it was confronted with a depleted treasury. The details thereof have been published heretofore. That legislature was confronted with the proposition of providing emergency appropriations to the amount of \$458,287.28, for the purpose of financing the state for the remainder of the fiscal year which ended June 30, 1919. That legislature did make emergency appropriations. The funds to meet those appropriations enter into the amount of the aggregate which now calls for a state tax rate of sixty cents per hundred upon the tax rolls for the year 1919-1920. In other words, the taxpayers of the state are now called upon to pay five and four-tenths cents to square up the financial affairs of Arizona before starting in with the real financial problems for the year 1919-1920 at all.

Legislature Appropriated to Match Congressional Schemes

During the past two years, congress passed several laws which had the effect of offering to states certain amounts for certain special purposes upon condition that the states provide similar amounts for co-operative use of the entire funds for those purposes. The legislature of 1919 undoubtedly accepted the judgment of congress as to the public necessity for activities along the lines of those suggested purposes, and appropriated accordingly. Among the appropriations so made are items which aggregate over \$380,000.00, outside of appropriations for highways. Thus another two cents and over is accounted for out of the total of sixty cent tax rate.

Legislature Specially Appropriated for Bridges, Etc.

When the matter of special appropriations
(Continued on page 5)

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS' ASSOCIATION OF ARIZONA

Subscription August, 1919 50 cents

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Address all Communications to the Secretary,
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Forest Revenues From United States Which Increase School and Road Funds

OUT of the total revenues derived from lands in the national forests in Arizona, twenty-five per cent is paid to the state. The amount of this fund for last year was \$112,521.00. This amount is apportioned among the counties of the state in which national forests are located according to the acreage in each from which the earnings are derived. The boards of supervisors then apportion the funds between the county road fund and the county school fund as each board deems advisable. In our last issue attention was called to still another amount — \$59,654.00 — which comes to the state from sales of timber from school lands in the forest reserve — this is distinct from the \$112,521.00 above referred to, and goes direct to the

state common school fund, and is apportioned from it to the counties for school purposes solely.

The table which appears below shows the different forest reserves, shows the

counties and acreage in each which produced the revenues, shows the total revenues from each forest and the amount due each county from each forest:

Forest—	County—	Net Forest Area Acres	Amount Payable to State 25 %
Apache:			
Apache		410,891	\$ 4,479.00
Greenlee		771,272	8,435.00
Total		1,182,163	12,914.00
Coronado:			
Cochise		483,657	4,773.00
Pima		385,780	3,813.00
Pinal		24,554	239.00
Santa Cruz		412,173	4,082.00
Total		1,306,164	12,907.00
Coconino:			
Coconino		1,344,773	25,528.00
Yavapai		306,649	6,006.00
Total		1,651,422	31,534.00
Crook:			
Graham		396,459	3,191.00
Gila		321,596	2,586.00
Maricopa		2,300	16.00
Pinal		149,751	1,215.00
Total		870,106	7,008.00
Dixie:			
Mohave		17,680	26.00
Kaibab:			
Coconino		1,058,939	1,724.00
Mohave		13,400	21.00
Total		1,072,339	1,745.00
Prescott:			
Maricopa		173,110	1,918.00
Yavapai		1,260,054	13,426.00
Total		1,433,164	15,344.00
Sitgreaves:			
Apache		45,493	317.00
Coconino		218,023	1,585.00
Navajo		393,777	2,743.00
Total		657,293	4,645.00
Tonto:			
Pinal		58,900	367.00
Maricopa		496,411	3,119.00
Yavapai		101,072	660.00
Gila		1,337,054	8,456.00
Total		1,993,437	12,602.00
Tusayan:			
Coconino		1,435,083	12,264.00
Yavapai		176,690	1,532.00
Total		1,611,773	13,796.00
Total for State		11,795,541	\$112,521.00

The Assessed Valuation of Mines in the Various Counties of the State

It has been mentioned frequently that the total valuation of mines and mining properties in the aggregate represents a large portion of the total of valuations of all property in the state for purposes of state taxes. No mention has been made which gives an idea of just how that value is distributed among the several counties, to become again subject to county, city, town, and school district taxes.

For the purposes of preparing the tax rolls of the several counties the State Tax Commission fixes the values of producing mines. There are other values such as non-producing mines, smelters, concentrators, and personal property

owned by mines and mining companies, which when added to the values of the producing mines, produce an aggregate of values of the mining industries in the state for taxation purposes in excess of that shown by table below. The table which follows includes only the values placed by State Tax Commission upon the producing mines. The figures show how those values are distributed to the respective counties. Do not show the total amount of assessed values of all properties connected with the mining industries, figures which will show such totals have not yet been compiled.

The table also shows the values for last year in comparative columns:

COCHISE:		1918	1919
Arizona United Mining Co., Owner, Co-briza Mines Dev. Corp., Lessee	\$	694,383.00	\$ 642,712.00
Clumet & Arizona Mining Co.		39,827,020.00	40,432,217.29
Clumet & Arizona Mining Co. (Germania group)		88,145.00	54,770.00
Great Western Copper Co.		197,057.00	174,923.00
Thomas Higgins		389,184.00	790,142.00
Donard Copper Co.		93,040.00	92,978.00
Helps Dodge Corp. (Copper Queen Branch)		61,485,049.00	66,267,087.41
Attuck-Arizona Copper Co.		7,396,667.00	4,620,202.00
Volverine & Arizona Mining Co.			183,148.00
Total	\$	\$110,170,545.00	\$113,258,179.70
GILA:			
Arizona Commercial Mining Co.	\$	2,445,367.00	\$ 2,417,819.19
Abson Cons. Copper Co.		140,600.00	123,685.00
Gila Copper Sulphide Co.		1,152,997.00	961,038.00
Inspiration Cons. Copper Co.		76,439,572.00	73,444,184.00
Don Cap Copper Co.		1,844,047.00	2,369,708.24
Lami Copper Co.		24,988,440.00	26,974,343.16
Ed Dominion Co. (Including United Globe Mines)		15,109,243.00	12,690,384.62
Warrior Copper Co., Owner, Southwestern Leas. & Dev. Co., Lessee		658,663.00	672,934.00
Total	\$	\$122,778,929.00	\$119,654,096.21
GREENLEE:			
Arizona Copper Co., Ltd.	\$	18,822,597.00	\$ 19,254,814.90
Triple Gold & Copper Co.		102,320.00	
Rating Mines Co., Owner, Grant Leasing Co., Lessee		57,413.00	78,783.00
Helps Dodge Corp. (Morenci Branch) ..		6,518,828.00	6,122,424.23
Cannon Copper Co.		443,198.00	201,960.99
Total	\$	\$ 25,944,356.00	\$ 25,657,983.12
MOHAVE:			
Grand Gulch Mining Co.	\$	92,494.00	\$
Jim Reed Gold Mines Co.		1,071,818.00	1,065,931.00
United Eastern Mining Co.		4,215,504.00	5,016,765.00
Pecca Tungsten Mining Co.		108,942.00	148,406.00
Total	\$	\$ 5,488,758.00	\$ 6,231,102.00

(Continued on Page 6)

A SIXTY CENT TAX RATE AS A RESULT OF APPROPRIATING LEGISLATION

(Continued from page 3)

ations for bridges, approaches, special highways, and the like, outside of the annual ten cent tax levy to state highway funds, is investigated, a total of \$540,000.00 will be found as the aggregate of those purposes. This accounts for over six and three-tenths cents out of the sixty cent tax levy.

Other Special and Increased Appropriations

Special appropriations for experimental wells, irrigation projects, power lines, and the like, account for over \$100,000.00 in the tax aggregate for 1919.

The state common school fund was increased from \$750,000.00 to 875,000.00 for the 1919 taxes. This fund alone accounts for ten and three-tenths cents in the total tax levy.

The matter of new state buildings, including additional funds which were required to complete buildings already under way, adds another \$401,616.72, to the rolls and over four and nine-tenths cents to be included in the total sixty cents of tax rate for 1919.

The flat rate of ten cents per hundred for state highway fund will raise \$852,000.00 for highways. It also accounts for ten cents out of the total of the sixty cent rate.

Thus it will appear that the state legislature made appropriations which in the aggregate account for thirty-nine cents of the total of sixty cents, and did so for purposes which to that body seemed necessary for state purposes.

Legislation Created an Aggregate of 39 Cent Tax Rate for Capital Investment.

Each of the purposes included in that total of appropriations which so account for that thirty-nine cents of the total state tax rate, is a purpose which on its face represents "capital investment" as distinct from ordinary current operating expenses of the state. The amounts so raised when expended should represent additional permanent improvements throughout the state for roads, bridges, new buildings and additions to old buildings, to the amount of \$3,322,800.00. If the expenditure of that amount for those purposes was in fact warranted by present conditions in the state; if the legislature really voiced the will of the people in voting to expend those amounts for those purposes, then the taxpayers who are now called upon to pay their taxes which include those amounts in the total of over \$5,100,000.00 of taxes upon the state rolls

for 1919, have no real cause to complain at the high tax rate which confronts them. If those appropriations calling for such investments of state money are not in fact desired by the people, then the latter have been silent when they should have spoken. They have permitted persons to promote projects by activities which produced upon the minds of the legislators an impression that the whole people were speaking, when in fact the whole people were either indifferent or sleeping at the post, when appropriations were being made.

Legislature Without Definite Basis as to Real Needs for Appropriations.

An examination of the appropriations for support of the state institutions, such as the university, normal schools, prison, and others, will disclose that those appropriations were made upon the basis of what was represented as being actual expenditures of each for last year, with an allowance made in some instances for increased cost of supplies. The lack of definite information as to what was really essential to the support of each institution, caused the legislature to guess at an amount, and appropriate it in each instance.

The High Tax Rate Show Need for a Budget System Controlling Legis- lative Appropriations

The situation of high tax rates for 1919, seems to have been caused by promiscuous appropriations, without consideration of the real question as to necessity for each amount appropriated, and without consideration of what the total aggregate of all would be. At least the taxpayers had no opportunity for considering the one or the other cause, prior to the time the whole aggregate confronted them upon the tax rolls.

The state activities must of course continue. The state institutions must of course be supported to the end of accomplishing the purposes for which they exist. Highways must be built and kept up. The growth of the institutions require new buildings from time to time. The extent to which public funds shall be used for those purposes, and the time when they shall be so used, depends upon other conditions surrounding the private activities in the state, connected with the property to be taxed to raise funds, which conditions should be fully presented and fully considered by the legislature before it makes appropriations.

Assessed Valuations of Mines

(Continued from page 5)

PIMA:		
Helvetia Copper Co.	\$ 74,517.00	\$
Imperial Copper Co., Owner, American Smelt. & Ref. Co., Lessee	918,521.00	460,403.0
Narragansett Mines Co.	238,215.00	
New Cornelia Copper Co.	21,867,473.00	23,629,920.2
Rosemont Copper Co.	155,299.00	78,145.0
Twin Buttes M. & S. Co., Owner, Glance Mining Co., Lessee	397,849.00	259,581.0
Twin Buttes M. & S. Co., Owner, Midland Copper Co., Lessee		150,863.0
Vulcan Cons. Mining Co.	86,559.00	
Total	\$ 23,738,433.00	\$ 24,578,912.2

PINAL:		
Copper Buttes Mines, Inc.	\$ 136,915.00	\$
Magma Copper Co.	4,613,384.00	4,090,812.2
Ray Cons. Copper Co.	36,445,092.00	39,518,668.7
Ray Silver Lead Mining Co.		142,690.0
Superior Arizona Copper Co.	66,530.00	
Total	\$ 41,261,921.00	\$ 43,752,170.9

SANTA CRUZ:		
Duquesne Mining & Deduction Co.	\$ 283,825.00	\$ 236,618.0

YAVAPAI:		
Arizona Binghamton Copper Co.	\$ 316,692.00	\$ 197,586.5
Consolidated Arizona Smelting Co.	2,995,366.00	3,086,642.5
Copper Chief Mining Co., Owner, Hayden Development Co., Lessee	65,525.00	21,760.0
Phelps Dodge Corp. (Copper Basin Br.)	362,296.00	299,815.0
United Verde Copper Co.	42,901,915.00	43,822,275.4
United Verde Extension Mining Co.	39,259,336.00	36,907,474.0
Total	\$ 85,901,130.00	\$84,335,553.4

YUMA:		
Geo. B. Leighton (Critic Mine)	\$ 61,348.00	
Swansea Cons. Gold & Copper Mining Co., Owner, The Swansea Lease, Inc. Lessee	451,237.00	None
Total	\$ 512,585.00	

Total for State	\$416,080,482.00	\$417,704,615.6
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(NOTE—Above figures show first valuations made by Tax Commission; do not show changes, if any, made by State Board of Equalization.)

The solution of the question lies in the establishment of a strict budget system for the state and branches of the state government having powers of appropriation and power to tax. Provide a time for public hearings upon proposed budgets, in advance of any appropriations for public expenditure. If the people have an opportunity to speak their mind and do not do so. If the budget is fully presented to the public, and its amounts are for purposes not necessary, or in the

aggregate more than the people are willing to tax themselves to pay. If the whole matter is open to discussion a full consideration by the public, before appropriations are made, there will be no such surprises to the taxpayers at the amount of state and county taxes upon the rolls of any future year. The people will get just what is proposed to them, just what the budgets disclose and will pay for what they want and no more.

Exceeding the Ten Per Centum Limit of County Taxes for General and Road Purposes

PRIOR to the time when boards of supervisors were called upon to act in the matter of proposed estimates for amounts of taxes to be raised in the counties for general funds and for road funds of the counties, attention was called to the fact that the Supreme Court of this state had construed the provisions of the law relating to increases in this year's taxes over the total amount levied and collected in taxes upon last year's rolls as controlled by the ten per centum limit provisions.

Ten Per Centum Limit Concerns Only Taxes Not Other Revenues to Counties

The Supreme Court clearly stated the intent of the law to be for the protection of taxpayers. It clearly stated that purpose to be that taxpayers should not be called upon to pay taxes in one year for road and general fund purposes in counties, to exceed by more than ten per centum the amounts levied and collected for those purposes in the previous year. The fact that the Supreme Court did so, in those decisions in which the purpose of the limit was construed, mention of words "other sources of revenues", as just as clearly an indication, that these other sources of revenues had no bearing upon the question. The sole question was one of taxes levied and collected in one year, as limiting the amount of taxes which could be raised and collected in the succeeding year. Protection to the taxpayers was aimed

at by the legislature when the limit law was enacted. The Supreme Court so construed the law to mean just that intended protection.

County Boards Ignore the Language of the Supreme Court and Combine to Defeat Its Effect

A review of the work of some of the county boards of supervisors in adopting estimates for the rolls of 1919, discloses the fact that those boards in some counties, again ignored the law and ignored the decisions construing the law. Did so and again adopted estimates and established tax rates which will produce more than ten per centum increase over the amounts levied and collected in taxes upon last year's rolls. Not only did they do this, but it has been ascertained that it was done through concerted action and pre-arranged agreement between the various boards to do it. That agreement was no more and no less than an agreement not to follow the interpretation of the Supreme Court of the law in question until that Court again construed its own language. The general public may be interested in knowing just when a law is the law of this state. It has waited patiently for several years to get to the point where a supreme court decision would presumably settle the particular point in question. It has seen estimates adopted year by year with amounts greatly in excess of the ten per centum limit. It has seen the amount of taxes levied and collected

upon those excess figures become the amount upon which to levy and collect taxes for succeeding year and years, grow into amounts which have made possible increased taxation at the present time double what it would have been had the correct figures been used in the first instance. The public has paid its taxes, waiting for the Supreme Court to decide its rights in the matter. It has waived its rights in the past awaiting just such a decision as was rendered. It is certainly an exasperating situation that the tax paying public must again be forced to litigation to have its rights again declared, due to such action on the part of county officials as above set out.

"County Needs" No Excuse for Taxation Beyond Ten Per Cent Limit.

The excuse for the action by the boards has been that the county needed the extra money. In the decisions referred to the Supreme Court cover that very point. The limit must be observed or entirely defeated. The legislature fixed the limit, the boards must act within that limit. If the real needs of a county cannot be taken care of within the limit then the legislature and not the boards of supervisors must bear any censure so arising.

The taxpaying public are not inclined to go to law. They avoid law suits when possible. But action of officials sometimes force an issue. Such an issue may be forced in the above matter.

AN OLD CITY CHARTER PROVISION

THIS Magazine has often mentioned the fact that open appropriations, continuing open and unlimited appropriations respecting public expenditures was the cause of deficits in public funds, a cause which produced subterfuge in the matter of use of funds, changing the purposes for which funds are ostensibly raised, according to published budgets and estimates, to other purposes which in reality are no more than paying back debts, and the like. It has been frequently mentioned that legislation was necessary to remove doubt as to the meaning of the constitution where it in substance says that any law levying a tax shall state the

object of the tax for which purpose or object it shall be used and no other, that funds raised by taxation should not be used for any purpose except the one named as the sole purpose of such tax. With respect to city, town, school district, and county funds, that suggestion as to needed legislation still stands good. It certainly stands good as to all cities and towns of the state which are controlled by general law.

There are several towns and cities in the state, however, which were originally incorporated under special acts of the territorial legislature, as to which amendments have been made from time to time. Some of such amendments are

again found in special laws applying only to the particular town or city, and others found in general laws applying equally to all towns and cities. There are still other general acts, which are so worded as to leave doubt as to whether their provisions do apply to cities and towns originally incorporated under special acts. Peculiar as the results may be, it is the fact, that the uncertainty in these matters as to what law really controls the acts of cities, are found most frequently with respect to provisions arising with respect to expenditures, and with respect to taxation by cities and towns to pay such expenditures.

In the course of conducting the public

business of towns and cities, it is found that one set of officers place one construction upon the entire effect of all the laws upon their powers of action, and another set an entirely different construction upon those same laws as to those same powers. This has led to over expenditures by one set of officers, which has resulted in deficits to be provided for by their successors. All with the result that at the present time, many of our towns and cities are laboring under heavy old indebtednesses, and in attempts to square the old, and keep up necessary present activities, hopeless confusion of funds has ensued, making it seemingly necessary that debts be paid out of any funds available, regardless of the fact that such funds should be used only for the purposes for which tax-money was raised.

There seems to be only one city or town in the state, where the subject above referred to is fairly covered by charter provision. That is the city of Tucson, whose charter contains words as follows:

"The common council shall not create, audit or allow or permit to accrue any debt or liability in excess of the actual revenue of that fiscal year that may be applicable for such purpose, it being the intention of this act that the expenses of said city for each fiscal year, and every debt created, audited, allowed or permitted to accrue in excess of the revenue of that fiscal year applicable for that purpose shall be null and void."

This language appears as a part of Article V. Section One of the legislative charter of that city, and has been a part of the law applicable thereto since 1883. No amendments have been made to the same except by the tax levy law of 1913, which applies to the preparing of estimates as to city expenditures proposed to be made for each fiscal year by all cities without exception. The two laws do provide a fair budget law for that city, and were the special charter acts of every town and city in the state limited with similar provisions, all confusion as to the actual powers of councils as to subjects of proposed expenditures, and as to amounts of taxes to be raised to meet such proposed expenditures would be eliminated.

"A frequent recurrence to fundamental principles is essential to the security of individual rights and the perpetuity of free government." This quotation is found among the declaration rights of the people in their state constitution. When the subjects of taxation and the public finances are considered in the light of "first principles" and of "fundamental principles" so far as affecting in-

dividual rights of citizens, the question for what purpose shall public funds be raised, and when raised how expended, with the allied question of over-expenditure, consequent deficits, and impairment of public credit thereby produced, and first and fundamental principles of public finances to be referred to, and to be always in mind of public officials with powers to tax and expend public funds. There should be no need of express legislation prohibiting debt making, and deficit creating by such public officials. Inasmuch as so many city and town councils, imply powers of action which is contrary to those first principles, do so, unless positively forbidden by plain language in the law, the language found in the Tucson charter, if embodied in every charter law, or embodied in general law applicable without exception to every town and city in the state, would remedy some of the existing financial practices. If so embodied certainly the individual taxpayers would know what they were paying for, how much they were paying, and would not be subjected to the surprise of being called upon to pay for old deficits and also for that reason would not be disappointed in any fiscal year by not having the advantage of public activities, or the benefit of public enterprises, which on the face of estimates for the year, they expected, and for which they paid taxes of that year.

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"Uncle Sam as a Taxpayer"

IT MAY not be generally known that the United States is a taxpayer in every state, county and municipality of the United States, within which lies any railroad property operated and controlled under federal authority, but such is the fact. Taxes levied in virtue of powers to tax under state laws upon railroad property so situated and operated, is paid out of United States funds derived from that operation.

It may not be known as well as that the federal authorities will investigate as to the legality of every tax amount which is presented for payment. Just how vigilant those authorities will be, just what steps will be taken to avoid excessive tax rates or avoid excessive total levies against that property when that excess in any case arises from an abuse of taxing powers in the states, or arises from acts outside those taxing powers as prescribed by law, is not known. It can be assumed, however, that with illustrations derived from the

thoroughness of action as to other matters involving expenditures of public federal funds, illegal taxes will not be collected from the United States government. Every illegal and unauthorized tax levy under state authority, on the face of it calls for just that much extra income into the United States treasury. If the income from railroad operation will not be sufficient to pay states taxes, when added to other expenses of the operation of railroads by the government, then the deficit will fall upon federal revenues from other sources, and the whole people will directly and indirectly be taxed to pay. The situation surrounding illegal taxes by states, and in states, is one which involves the entire country as interested against that particular taxing district where such illegal tax is attempted to be levied and collected upon railroad property then operated under federal control. The question of waiving the strict limits upon taxation in the interests of seeming necessity for so doing, as waiver has been often made by individuals as taxpayers, and also interested as public spirited citizens of particular districts, may be a thing of the past, when it comes to getting federal authorities to "wink" at violations of tax laws.

It is not generally known, but it is the fact, that in some of the counties, cities and towns, school districts as well, the railroad property represents a major portion of the assessed valuation upon the tax rolls. In the past many instances have occurred where excessive levies have been known to have existed, but taxes paid without questioning the matter of that excess. With Uncle Sam as the taxpayer it may be apprehended that the tax laws will be closely studied, authority to tax thereunder, strictly required, and taxes levied beyond powers conferred, withheld.

The outcome of the situation of the United States actually standing in the position of a taxpayer to the states and their subdivisions — counties, cities, towns, and school districts — is one which individuals as taxpayers to each can await with interest. The outcome may develop construction of present tax laws which will be beneficial to the individual taxpayers, and may be an outcome which will pave the way to needed amendments in the tax laws themselves. The result of any litigation which may follow the new relation will undoubtedly be a strict, full, and fair construction of any law involved, freed from any possibility of prejudice for or against either litigant therein.

As said above, the situation is really unique and interesting at the outset. The developments of that situation will be equally so.

ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

T ARIZONA TAXPAYERS MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

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The manner in which the total valuations of the property of the mines and mining industry of the State of Arizona has pyramided since statehood appears from the table below:

Year	Mining Property of all Descriptions	Per Cent of Total State Valuation
1912	\$ 45,145,084.49	31.7 %
1913	\$140,488,648.30	37.2 %
1914	\$146,672,395.05	35.7 %
1915	\$159,019,288.85	37.4 %
1916	\$216,879,796.28	44.2 %
1917	\$393,421,536.60	56.0 %
1918	\$491,679,957.15	58.63%
1919	\$496,262,860.93	57.66%

The above table also shows the total of assessments of each fiscal year, and the ratio in per cent that those values have to total values of all property for taxation purposes in the several years.

EDITORIAL COMMENT

Bearing Upon The Use of Highway Funds in Actual Construction of Roads

The general public desires accomplished results in actual roads for public use. The question of what officer, commission, or set of officers, have the supreme power of direction as to the expenditure of state, county and United States Post Road Funds, is to the general public a minor question. Disputes as between officers bring about delays in the use of funds, create extra expense and do everything but get down to the real business of laying out, constructing and actually completing highways upon which the public can travel for business necessities and incidentally, for pleasure and recreation.

10% State Tax Will Produce \$860,811.00 For Highways

Under the state law there will be raised the sum of \$860,811.00 by direct tax for the State Road Tax Fund. To this will be added the motor vehicle license fees which will increase that fund to over \$1,000,000.00. The legislature intended that this fund should be expended for highways. The clear intent of the legislature is that so much at least be used each year in extending some system of state highways and bringing that system nearer completion. These funds are state funds, and to be such should not be dribbled out in miscellaneous road building not connected with some fixed purpose that some future date will see various points in Arizona located in different counties connected by serviceable roads. If it is true that the legislature has not clearly announced its intent in laws bearing upon the use of those funds, that is a misfortune to the state. Such a situation if it actually exists in this state, is one which can be so only by so construing the laws as to bring state funds raised for State Road Tax Fund into such relations with county road taxes and county road funds, that no distinction exists as between the two funds, with the latter the real fund in fact.

Contention Among Officers As to Control of Highway Funds

In other words, there is before the public a contention that all road funds are under the superior control of county

boards and county highway commissions with action of state officers merely advisory. That contention calls for such a construction of existing laws as in reality makes all funds "county road" funds. State officers are not willing to concede such contention. On their part claim controlling supervision as to expenditure of state funds, U. S. road funds, and co-operative control with county officers as to portions of funds raised for highway purposes as part of state taxes, and state fees collected. The merits of each contention is one which will not be passed upon in this article. With the facts before it, as those facts appear in the laws which control the situation, the public can pass judgment upon the questions in dispute.

State Law as to 10% Levy for Highways

The legislature in 1917 increased the tax levy for state highways by an amendment to paragraph 5123 for 1913 Code, which amendment reads as follows:

"There shall be annually levied and collected in the manner in which other State taxes are levied and collected, by a levy of the officials provided by law, ten cents (0.10) on each one hundred dollars (\$100.00) of the assessed valuation of taxable property within the State, for the purpose of raising a fund to be known as the "State Road Tax Fund", for the construction, reconstruction, repairing, improving, and maintaining of State highways and bridges, as follows:

"Twenty-five per cent (25%) of the "State Road Tax Fund" herein provided for, shall be subject to be paid out upon the authority and under the direction of the State Board of Control and the State Engineer, who are hereby charged with such responsibility.

"Seventy-five per cent (75%) of such "State Road Tax Fund" herein provided for shall be apportioned to the several counties in the amount to each county of seventy-five per cent of the taxes collected under this act, by said county, and such amount shall be subject to be paid out for the construction, reconstruction, repair, improvement and maintenance of public highways, roads and bridges; in the manner as in this act provided, for the work in this act provided for, within such county, upon the

authority and under the direction of the County Board of Supervisors of such county and the State Engineer, who are hereby charged with such responsibility.

"Provided that no obligation shall be assumed or expense incurred under the provisions of this act, within any fiscal year, in the amount of any sum in excess of the levy herein provided, and the unexpended balance from the previous fiscal year.

"All acts and parts of acts in conflict with the provisions of this act are hereby repealed."

State Legislation as to State Co-operation With U. S.

Referring to United States funds, the legislature in 1917 provided as follows

(1917 laws, page 24)

"That the Legislature of the State of Arizona hereby assents to the provisions of the Act of Congress, approved July eleven, nineteen hundred and sixteen, entitled "An Act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," thirty-ninth U. S. Statutes at Large, page three hundred and fifty-five. The State Engineer, with the approval of the State Board of Control, is hereby authorized to enter into all contracts and agreements with the United States Government relating to the survey, construction and maintenance of roads under the provisions of the said Act of Congress, to submit such scheme or program of construction and maintenance as may be required by the Secretary of Agriculture and do all other things necessary fully to carry out the co-operation contemplated and provided for by the said Act. For the construction and maintenance of rural post roads the good faith of the State is hereby pledged to make available funds sufficient to equal the sums apportioned to the State by or under the United States Government during each of the five years for which federal funds are appropriated by Section 3 of said Act and to maintain the roads constructed with aid of funds so appropriated, and to make adequate provisions for carry

ing out such maintenance."

County Highway Commissions to Join U. S. As To Bond Funds

Again referring to United States funds available for highway construction, the legislature in 1919, (S. L. 1919, page 90) makes a provision which seems to apply only to proceeds of bonds authorized in counties, and says: "Provided however, that the said Commission (county highway commission referred to) may enter into co-operative contracts and agreements with the Secretary of Agriculture of the United States, under 39 Statutes at Large of U. S. section 8, page 335, and as to any such co-operative contracts or agreements the restrictive provisions of this act relating to the methods of expending county highway funds or funds derived from the sale of county highway bonds shall not apply, and any money in the county treasury subject to the disposition or control of the Commission, and in conformity with any such co-op-

erative agreement, be deposited by the county treasurer in a United States depository designated by the Secretary of Agriculture or other officer of the United States authorized by law to enter into such co-operative contracts or agreements, to the credit of and to be expended by such officer under the terms of any such contract or agreement."

Act of July 11, 1916, the United States "Post Road Law" provides: "The Secretary of Agriculture is authorized to co-operate with the states, through their respective highway departments, in the construction of rural post roads. The Secretary of Agriculture and the State Highway Department of each state shall agree upon the roads to be constructed therein and the character and method of construction." The Secretary of Agriculture and the State Highway Department of each state may jointly determine at what times and in what amounts, payments, as work progresses, shall be made under this act.

Such payments shall be made by the Secretary of the Treasury on warrants drawn by the Secretary of Agriculture, as may be designated by the state highway department and authorized under the laws of the state to receive public funds of the state or county."

The Public Desires Roads Regardless

From the foregoing provisions of law, with a proper interpretation and application thereof to actual road building, the respective powers, rights and duties of state and county officials will be found. Whatever the answer is, that answer should be agreed upon quickly, in order that friction between departments may not retard road construction. As said above, the people want roads, have provided money for roads, have certainly provided enough administrative machinery to have roads, if that machinery can and will work in harmony to that end.

Tax Rates Always High in Years Following Legislative Sessions

The scale of tax rates fluctuates according to legislative appropriations. The answer to the question so often asked as to why the taxes of one year are so much larger than those of a previous year is fully answered by referring to the special legislative appropriations made available for each particular year and designated as amounts to be raised upon the rolls of that particular year.

There are real emergency appropriations, such as appropriations made by the legislature to meet deficiencies in funds previously appropriated for public purpose, the amounts of which are of actual application to those purposes not sufficient therefor. There are other appropriations which follow each session of the legislature, such as increased amounts over prior appropriations for similar purposes made by previous legislatures. These two classes of appropriations account for what may be termed a normal increase in the amount of taxes raised in one year, as compared with amounts raised in another year.

There is still another class of appropriations which tend to increase the rates of taxes for a year following a legislative session, that class is such appropriations as provide funds for new departments, new offices, and new state activities.

But while all of the foregoing classes account for an increased tax rate to a certain extent, the main reason why tax

rates for even numbered years are less than those rates which apply to uneven numbered-years, lies in the fact that the legislature meets in the uneven numbered years, and in those years make provisions for new buildings, improvements to old buildings. All such provisions may be classed under a head of appropriations which increase the capital investment of the state in its properties and institutional and other buildings. Appropriations for that class are made, and the same appropriation law usually provides to such effect that the tax rolls of that same legislative year contains rates levied to meet those appropriations.

Looking back to the tax rates for state purposes of all the years since statehood, it will be found that the rates for the respective years were: .495 for 1913, .445 for 1914, .54 for 1915, .40 for 1916, .535 for 1917 and 39 for 1918. The state rate for 1919 is .60. The rates for the first three years did not fluctuate in amount as much as during the years thereafter, due to the fact that the legislature was in session for extra periods during those years and did not complete their work of appropriations in time for the rolls of the odd numbered years.

In a recent article in this Magazine attention was called to the fact that the legislature of 1919 appropriated amounts which will represent thirty-nine cents out of the total rate of sixty

cents, and did so for "capital investments". The aggregate of which investments is there given at the sum of \$3,-322,800.00. Bringing these figures forward again, it will be seen that only twenty-one cents per hundred of valuation remains for the fixed, current and operating expenses of state government, and state institutions which will produce approximately \$1, 800,000.00 for the latter purposes.

No just comparison as between rates of one year can be made, except by taking into consideration the purposes for which the money raised is to be used. If the current expenses of the state were alone accountable for the entire increase in rates, that comparison as between years would assume entirely different phases and aspects. But as a general proposition, those current expenses do not account for the increased rates, and while those expenses may have increased unnecessarily, and may contribute to the increased rate to that extent, and as a general proposition the fact remains that the tax rates upon the rolls of years following legislative sessions have always been greater than the years preceding such sessions.

From an examination of the appropriation bills of the last legislature, it can be stated that the tax rates for the year 1920 will again drop to a rate more nearly in proportion to those state rates which were levied in the years 1916 and 1918.

ARIZONA TAXPAYERS' MAGAZINE

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Remedy for Unnecessary High Taxes Lies in Adapting Business Methods to all Public Funds

When the taxpayers of this state are confronted with a tax-roll which calls for over thirteen millions of dollars. When that tax-roll calls for an increase in taxes of thirty-four per cent above the rolls of previous years. Speaking now of the aggregate of all taxes upon all rolls, city, county and state, the real question before those taxpayers is the simple one of whether the public is getting its money's worth for those taxes.

Citizens All for Necessary Improvements

No citizen of Arizona will for one moment stand in the way of necessary public improvement. Nor in the way of any public activity of the state which in the end will, or may tend to the advancement of the state along modern theories as to what real advancement

(Continued on Page Five)

State and County Financial Situation as Shown by Assessed Valuations, Tax Rates, Upon Tax Rolls for Year 1919 with Comparisons

Every citizen of this state is familiar with the fact that during the past year there has been a more or less popular public demand for increased activities along lines of public improvements of all kinds. From the state Capitol building to the most remote school district in the state there has spread a feeling towards new buildings, larger buildings, improved buildings and enlarged facilities for public activities of all kinds, which to be effected require increased expenditures of public money. The matter of road construction, including bridges and all other branches of construction connected with highways has been the subject upon which the public has acted, and the result has been an immediate need for more and more public funds, made available for those highway purposes as well as the other public purposes mentioned and referred to above.

Bond Issues Pay for First Construction. Taxes Still Raised to Pay Interest and Maintenance

Provision has been made through bond issues to take care of many special public requirements in the way of the above. These bond issues provide for the principal sums needed to make the initial improvement or other purpose thereof, leaving the matter of interest upon those bond issues, and matters pertaining to maintenance, upkeep and repairs subjects to be taken care of through taxation. With respect to the bonded indebtedness of the various counties, cities, road districts and school districts of the state, the totals show a large increase over similar indebtedness in previous years. This article does not deal with figures showing that increase in principal amount of bonded indebtedness, but the interest thereon does appear as part of the totals of taxes to be raised this year.

The foregoing introduction explains in a general way some portion at least of the difference in amount of taxes for all purposes in the state, as between \$9,999,909.52 the total amount paid for taxes upon the 1918 rolls, and the \$13,668,592.87, which is the total of taxes to be collected upon the 1919 rolls. Those totals include all taxes raised for state purposes, for general county purposes including road taxes, special district levies, including special school

levies and taxes raised for city and town purposes.

Public Activities Require 36.2-3 Per Cent Increase in Tax Raised Funds

The fact that in one year increased demands for support to public activities in the state of Arizona, has resulted in increasing by over thirty-six and two thirds per cent the amount of taxes in that year over the total for the previous year, is a concrete illustration of the proposition that if all public demands are met, the question of the amount of taxes to be raised to supply that demand will continue to increase. The thirty six and two-thirds percent increase in one year represents an amount, \$3,668,592.00, which for the increased amount alone exceeds the whole total of the tax burden in this state for the first year of statehood.

Actual Amounts of Taxes Raised Each Year Only True Basis for Comparison With Other Years

This Magazine has repeatedly illustrated the proposition that any real test as to comparative statements, as to tax raised amounts lies in the amounts produced, and that comparisons as between tax rates of one year, with tax rates of another year, but confuse and mislead the taxpayer who really desires to compare the figures for actual results. The figures presented in tables which are connected with this article do give totals as between this year and last year which will form the basis for real comparisons.

It may be proper to suggest that comparisons be not attempted for any purpose of arriving at the real causes of the increases shown by the figures, until resort is had to matters which lie still outside of the figures themselves. Those outlying matters have to do with the public demands to meet which increased taxation has been an imperative necessity. One cannot arrive at a just conclusion except by taking into consideration the real causes all of the separate causes, which has lead to the resulting increase, year by year, in the amount which the public has been called upon to pay in taxes. It may be further suggested that public demand for public activities has been one cause which must not be overlooked. In the

sequence of reasoning from cause to effect, the orderly line seems to be public demand that a public purpose be accomplished, legislative appropriation for that purpose made after conceding the necessity in recognition of such demands, the taxes which must be raised and paid as the final result of the first two causes.

Public Creating Demands and Legislature Appropriating Funds to Meet Them Are Equally Responsible For Increased Taxation

Again it may be repeated. If the people of this state really desire that any public purpose be accomplished, and do not themselves consider the cost thereof, but demand it notwithstanding, then the

matter of how much it does cost, that is, how much must be taxed to pay that cost, should be a closed book. In such case the people are getting what that people want and should pay without demurring at the final cost.

The question of real necessity as consistent with real present needs of the state remains at all times an open question. That question is one which must be given attention by the people, the legislators and the administrative officers of the state, or the result of inattention thereto may be that the next few years will witness such an increase in taxation in this state as will retard, due to high taxes, the development of the private, and distinct from the public, enterprises, activities and business of the people of the state.

REMEDY FOR UNNECESSARY HIGH TAXES LIES IN ADAPTING BUSINESS METHODS TO ALL PUBLIC FUNDS

(Continued from Page Four)

is from the standpoint of what state, county, city and town government is for. Every citizen desires that Arizona shall take a front rank in all matters in which from and through public agencies of and for that public it may be able to do so.

Costs Should Be Considered With Public Good Accomplished

The question of what it will cost the public, in the first instance, is not so important as the question of what real results will follow from what is to be raised and expended for the ultimate welfare of the public. There are, however, many things which may be said and written in connection with that question of "cost to the public", which may be said and may be written, without in the least touching upon the matter of public good accomplished by the expenditure of public funds.

There may be such a thing as an attempt upon the part of some portion of the public to push too fast and too hard for certain public enterprises. Harder and faster than the enterprises when undertaken as the consequences of such eagerness, can blend into and become part of plans for real development of all necessary enterprises of a public nature. If one portion of the public insists upon and obtain the particular public enterprise which to that portion of the public is the one supreme enterprise to be undertaken and consummated at all hazards, regardless of every other enterprise which may have support of other portions of the public, who, in turn are equally enthusiastic with regards to some other public undertaking. If there are in the state, or its counties and cities, numbers of such public undertakings, each requiring an appropriation, each supported by advocates more or less blind to the real merits of other public propositions, then if taxes are raised, appropriations of money made to meet the cost of all, taxes will increase without limit. For whatever may be said about Arizonians, they are successful "boosters" and when a number of them start for the goal of some public purpose to be accomplished, that goal is ultimately reached.

Too Many Projects May Result in Too Great Tax Burdens

But the public may in time reach the

VALUATIONS AND TOTAL AMOUNTS TO BE RAISED BY DIRECT TAXATION FOR ALL PURPOSES WITHIN THE STATE OF ARIZONA FOR THE YEAR 1919-1920

Final Net Valuations by State Board of Equalization	Amounts to be raised for State purposes @ 60c per \$100 Val.	Amount to be raised for General County purpose.	County Rate as reported per \$100 Val.	Amount to be raised for special Dist.	Total
Apache County					
\$ 8,623,981.40	\$ 51,743.89	\$117,286.15	1.36	\$ 6,489.78	\$ 175,519.82
Cochise County					
72,142,473.34	1,032,854.84	747,129.51	.44	419,387.00	2,199,371.35
Coconino County					
20,889,740.18	125,338.44	246,916.73	1.182	11,347.90	383,603.07
Gila County					
62,293,178.76	973,759.08	674,165.86	4.154	188,413.41	1,836,338.35
Graham County					
13,433,105.10	80,598.63	171,943.74	1.28	31,107.40	283,649.77
Greenlee County					
43,946,537.94	263,679.22	351,572.30	.80	105,914.19	721,165.71
Maricopa County					
90,650,667.31	603,904.01	734,749.87	.73	693,162.00	2,031,815.88
Mohave County					
23,203,707.40	139,222.24	238,998.18	1.03	4,307.30	382,527.72
Navajo County					
11,145,143.88	66,870.86	181,635.83	1.63	69,124.29	317,660.93
Pima County					
34,545,832.66	387,274.99	477,634.71	.74	148,033.52	1,012,943.22
Pinal County					
39,071,742.54	414,430.46	252,694.13	.365843	61,644.83	728,769.42
Santa Cruz County					
11,315,403.48	67,892.42	132,707.05	1.1728	46,530.10	247,129.57
Yavapai County					
34,082,679.77	804,496.08	455,881.11	.34	191,488.90	1,451,866.09
Yuma County					
9,880,527.17	119,283.16	243,536.45	1.225	88,151.75	450,971.36
\$ 5,224,720.93	\$ 5,131,348.32	\$ 5,026,881.62		\$ 2,065,102.37	\$ 18,223,332.31
County	Cities and Towns	Net Valuation of City or Town	Rate per \$100 Val.	Amount of Levy	
Cochise	Bisbee	\$ 7,084,187.89	\$ 2.1825	\$154,612.40	
	Douglas	7,440,152.56	1.79	133,178.73	
	Tombstone	479,546.53	1.00	4,795.47	
	Willcox	665,610.75	.68	4,526.15	
Coconino	Flagstaff	2,651,617.26	.80	21,212.94	

(Continued on Page Six)

limit beyond which it cannot pay taxes and at the same time attain such private successes for the multitude of private enterprises of the state. The same energy which makes the people of Arizona successful in attaining public advancement for the state, rests in the individuals as distinctly energetic citizens. The position of every citizen is a dual one. He owes allegiance to his state, county and city. He also owes certain duties to himself, his family and his personal business. Acting in that dual capacity real progress from his energies devoted to each, means an adaptation of those energies in such manner that public and private enterprises may progress side by side, that both may reach the goal of best achieved success at the same time. From the standpoint of the finances involved in both they are equally business matters. That is, whether it is a public improvement or private one, from start to finish the same rules of good business should apply.

In private affairs no one would attempt the construction of a mansion for his use, except he first consider the cost of its maintenance with all incidental expenses included therein. A conservative person would not go to the limit of his financial resources for the construction of such a home, as it would leave him without means to maintain it thereafter. Nor, would he start the construction unless the means to fully complete it were surely available without sacrificing other properties, or crippling his business.

Nor would a good business man spread his financial operations over such an extended field that same would get out of hand.

Citizens Duty to See That Business Rules Are Applied to Public Affairs

With these illustrations as to "business" rules, applied to public finances, the energetic citizen has not done his full duty to himself and to other members of the public, until he has viewed the whole field of proposed public expenditures, with special attention to each single proposition, that from it all that citizen may so apply himself to public affairs, that the public does not "over reach" itself in the matter of proposed aggregate expenditures, does not disproportionately use its taxing powers to meet aggregate public costs. Does not expend for principal projects of a public nature to such an extent that no provision is possible for maintenance, upkeep and continuance thereof, except by future excessive tax-burdens which

(Continued on Page Seven)

State and County Financial Situation

(Continued from Page Five)

	Williams	980,000.00	.95	9,310.0
Gila	Globe	4,891,795.26	1.80	88,052.3
	Miami	3,265,190.89	2.20	71,834.2
	Winkelman	414,690.13	.60	2,488.1
Graham	Safford	944,182.00	.97	9,158.
	Thatcher	379,330.00	.53	2,039.0
	Pima	216,336.00	1.00	2,163.3
Greenlee	Clifton	6,102,238.00	1.18	72,006.7
Maricopa	Glendale	1,327,183.00	1.64	21,765.8
	Mesa	2,496,920.00	.97	24,220.1
	Phoenix	33,312,925.00	1.06	353,117.0
Navajo	Tempe	1,340,805.00	1.16	15,553.3
	Wickenburg	244,916.82	1.00	2,449.4
	Holbrook	1,129,617.00	.27	3,050.0
Pima	Winslow	1,909,738.00	1.00	19,097.3
	Snowflake	193,624.00	.45	871.3
	Tucson	19,616,173.00	1.10	215,777.9
Pinal	Casa Grande	431,012.00	1.50	6,465.1
	Florence	541,534.00	1.20	6,498.0
Santa Cruz	Nogales	5,285,947.68	.9726	51,411.1
Yavapai	Jerome	2,971,011.00	1.53	45,456.9
	Prescott	5,811,223.00	1.00	58,112.2
	Yuma	3,500,682.78	1.18	41,308.0
Yuma	Somerton	333,983.00	1.386	4,629.0
		1918		1919
Raised for State Purposes @ .39		\$3,252,680.08		\$5,131,348.3
Raised for General County Purposes		4,172,973.05		5,026,881.6
Raised for Special Districts		1,294,684.51		2,065,102.3
Raised for Cities and Towns		1,279,571.88		1,445,260.5
Total		\$9,999,909.52		\$13,668,592.8

The Proportion of Taxes Paid by the United States Upon Railway Property in the State, Shown by Counties, Cities and Towns

The total assessed valuation of Railway properties in Arizona is \$100,176,508.00, or 11.71 per cent of the total assessed valuation of all property in the state, which is \$855,224,720.00. Under present state of the law, the taxes upon this amount of railway property is paid by the United States as part of the operating expenses of railroads operated under Federal control. These figures do not include property of railroad companies which is not directly connected with the operation of railroads, among the property not so included is grant lands, real estate along rights of way and other property of similar nature. If this article was to be written from the standpoint of railroad companies as taxpayers, the per centages of taxes paid by them would be larger than those which appear in the tables. In the latter case, the amounts

would be increased by \$4,575,000.00 for the whole state, one third of which goes to increase the tax rolls of Navajo county.

Considering only operating property of railroads, the tables show that Apache County heads the list. Forty-three and sixty one-hundredths of the tax paid in that county will be paid by the United States. Yuma county is likewise benefited to the extent of forty and sixty-two one-hundredths per cent, Coconino forty-two and seventy-seven hundredths per cent, Navajo, thirty-six and twenty-six hundredths per cent, Mohave thirty-two and seventy-six hundredths per cent, Graham, thirty-one and fifty one-hundredths per cent.

The proportions are also shown in the following tables, respecting the local affairs of cities and towns.

	Total Valuation	Valuation of Railroads	Per Cent of Total
Bisbee	\$ 7,084,187.89	\$ 82,001.29	1.1
Douglas	7,440,152.56	119,107.56	1.6
Tombstone	479,546.53	44,245.15	9.2
Willcox	665,610.75	81,141.71	12.1

(Continued on Page Seven)

REMEDY FOR UNNECESSARY HIGH TAXES LIES IN ADAPTING BUSI- NESS METHODS TO ALL

PUBLIC FUNDS

(Continued from Page Six)

may reflect upon private enterprises and their development by retarding it in the state.

When the total volume of taxes in this state is increasing at the rate of over thirty-three and one-third per cent per annum, when the per capita tax rate has reached an amount of over fifty-three dollars for every man, woman and child in the state of Arizona, as compared with a per capita rate of less than fifteen dollars at the time of statehood, good business requires that some attention be given to the matter of costs, as connected with what is to be expended, and as to what it shall be expended for, that public progress may not be attained with a rush which may be finally disastrous to the people of the state in their private affairs.

If what is said above suggests anything at all, it will not be complete as a suggestion unless some business rule or practice may be resorted to for a suggestive remedy. Every large business works to a budget. That budget is carefully planned with due respect to past business experience, and proper allowances for contingencies of the future. No matter how many departments may be included under the one business enterprise, it goes without saying that it is the underlying expectation and intent of managers to make each particular department a successful one, to do so without favoring any at the expense of others.

If that rule were applied to public propositions, the effect might be to curtail unnecessary taxation. If every public proposition was first presented to the public, with an opportunity for discussion and consideration of each, every such proposition singly and connectedly. If individual public purposes were each put in a list along with all others that the public might consider each and at the same time consider the effect of all, then public business would be placed upon a strictly business basis. In addition to such consideration, some limit was placed upon appropriations; confining action in appropriation of money to the amounts agreed upon in the budget, and even prohibiting other appropriations, and finally prohibiting expenditures, the creation of

THE PROPORTION OF TAXES PAID BY THE UNITED STATES

(Continued from Page Six)

Flagstaff	2,651,617.26	201,252.97	7.58
Williams	980,000.00	272,345.15	27.79
Globe	4,891,795.26	393,016.66	8.03
Miami	3,265,190.89	218,893.54	6.70
Winkelman	414,690.13	62,507.93	15.07
Safford	944,182.00	35,067.53	3.71
Thatcher	379,330.00	43,576.70	11.40
Pima	216,336.00	36,995.86	17.10
Clifton	6,102,268.00	437,851.91	7.17
Glendale	1,327,183.00	74,022.43	5.57
Mesa	2,496,920.00	68,138.51	2.72
Phoenix	33,312,925.00	650,783.58	1.95
Tempe	1,340,805.00	239,788.66	17.88
Wickenburg	244,946.82	41,727.23	17.03
Holbrook	1,129,647.00	57,352.35	5.07
Winslow	1,909,738.00	502,882.18	26.33
Snowflake	193,624.00	3,615.38	1.86
Tucson	19,616,173.00	1,775,870.88	9.05
Casa Grande	431,012.00	74,676.57	17.32
Florence	541,504.00		
Nogales	5,285,947.68	383,149.66	7.24
Jerome	2,971,041.00		
Prescott	5,811,223.00	184,928.09	3.18
Yuma	3,500,683.78	387,037.78	11.05
Somerton	338,983.00		

Total	\$115,967,262.55	\$6,472,077.16	5.58
County	Total	Valuation of	Per Cent
	Valuation	Railroads	of Total
Apache	\$ 8,623,981.40	\$ 3,760,500.00	43.60
Cochise	172,142,473.34	17,521,854.00	10.17
Coconino	20,889,740.18	8,936,605.00	42.77
Gila	162,293,178.76	2,609,218.00	1.60
Graham	13,433,105.10	4,232,000.00	31.50
Greenlee	43,946,537.94	2,692,420.00	6.12
Maricopa	100,650,667.31	11,155,569.50	11.08
Mohave	23,203,707.40	7,603,200.00	32.76
Navajo	11,145,143.88	4,041,360.00	36.26
Pima	64,545,832.66	7,958,951.50	12.33
Pinal	69,071,742.54	8,301,886.00	12.01
Santa Cruz	11,315,403.48	1,528,283.00	13.50
Yavapai	134,082,679.77	11,758,111.00	8.76
Yuma	19,880,527.17	8,077,350.00	40.62
Total	\$855,224,720.93	\$100,176,508.00	11.71

debts and liabilities beyond that budget, it may be suggested that such a system would be some remedy.

All Leads to a Full Budget System

The last legislature passed a budget law. Its effect is not yet apparent. That budget law is not complete. It lacks the salutary effect of not being absolutely prohibitive as to appropriations not included in the budget, and confining power to appropriate within limits of those amounts and purposes.

Further action will be unnecessary. The people have the power to initiate such amendments to the constitution as will have the desired effect of com-

pleting a budget system. Arizona has been among the first to accept other new ideas, and should not fail to do what other states are doing, and that is to provide for an effective budget system by constitutional amendment. Make that system so complete that it apply to every city, town, and county, as well as the state.

The effect of the budget system can not be otherwise than towards results which every taxpayer desires. It will show each citizen just what that citizen may expect from the use of public funds, whether that aggregate is thirteen millions or more in any one year.

Questions and Answers

Under what authority, and for what purpose is a levy made in state taxes upon sheep, as a special tax upon that class of property.

In answer to the above, Chapter 42, S. L. of Arizona, 1919 is complete, as follows:

"The Sheep Sanitary Commission shall in each year order the assessment and levy a special tax upon all sheep in the State; said tax not to exceed in the aggregate the sum of Ten Thousand Dollars (\$10,000.00) for any one year. Such order for said fund shall be made by the Commission on or before the first day of July in any year, and together with a budget showing the manner in which the fund thus collected is to be expended, shall be certified to the State Tax Commission by the Secretary of the Sheep Sanitary Commission, and the amount of such levy shall, by such Tax Commission be certified to the Board of County Supervisors of each county, and such Supervisors shall include the said levy in their annual levies of taxes. Such special tax shall be collected in the several counties and paid to the State Treasurer in the manner provided by law for the collection and payment of other State taxes. Such fund shall be kept separately by such Treasurer and shall be used exclusively for the payment of any expense properly incurred by the Sheep Sanitary Commission, and such fund shall be paid out by the State Treasurer on the order of the said Commission only. Such special tax shall be assessed, levied and collected at the expense of the several counties; and in case the County Supervisors of any county shall fail or neglect to make the levy provided herein, they shall, each become personally responsible to said fund in an equal amount to 33 1-3 per cent of said levy, to be collected from them and their bondsmen for the exclusive benefit of said fund."

In what particular county of the state should assessments be made, taxes levied and collected upon transient herds of sheep, cattle and goats, as the basis of distribution of such taxes among the several counties where such animals may be at different times in the year?

Referring to Paragraph 4869 of Revised Statutes, the following language will be found:

"Transient herds of cattle, sheep or goats, wherever mentioned herein, shall

be taken to mean cattle, sheep or goats, that range, graze or drift in more than one county for any part of the calendar year. Transient herds of cattle, sheep and goats shall be assessed, and the taxes thereon shall be collected in the county where the home ranch or headquarters ranch is situated."

The law also requires the owner of such herds to make an affidavit, stating his residence, and also stating where his herds will range during the year. The whole question turns upon the matter of determining the "home ranch" of the herd in each instance. Primarily, the "home ranch" will be the residence ranch of the owner, if, however, the owner, when paying his taxes makes oath that such ranch is not the "home ranch" for purposes of taxation of his herd, he becomes liable for perjury in event that claim is false. Again, the county assessor in making up his rolls, must determine certain facts among them, necessarily, the fact as to what herds are taxable within the meaning of above law, upon the rolls of his county. His determination of such a fact is prima facie correct and will be conclusive, until successfully contested and found erroneous.

What a Budget Does

The growing demand that public finances be provided and expended under a budget system is evidenced by the numerous articles which appear in current publications, in the prominence which that subject has been given by taxpayers associations throughout the country, and in bills introduced in Congress. But the "budget system" will not enforce itself, even though laws are provided which completely cover the whole subject. Budget laws, as well as other laws require the hearty co-operation of public officials, and also require such action by the citizens that the full effect may be accomplished according to the merits of the system itself. The public must do its share. The administrative officers must also do theirs.

The opportunities of such a system is aptly stated in an article which appeared in a recent edition of the Delaware Magazine. No more concise statement may be made to the subject of the possibilities which are afforded with a budget law as the working basis. The article is given in full, as follows:—

"Reduced to simplest terms, the budget system in State finances is merely a system which charts the financial needs and requests of the various func-

tions of State governments, charts the various sources and amounts of the State's income and puts this chart before the State legislature and the taxpayers so that they may see who is asking for money, and how much is being asked for and for what purpose it is being asked—and at the same time see, whether the prospective income of the State is enough to meet these requests.

The budget does not automatically prevent extravagance or graft or padded pay-rolls or loose contracts. But it does, without a doubt, if it is properly prepared, bring to the attention of the legislature and the public any and all extravagance, graft, padded pay-rolls and loose contracts, and fixes the responsibility for any of these practices upon the particular official or department or institution responsible. For instance, if some official is asking an appropriation of \$400 a month for two stenographers while other officials are asking only \$150 for two stenographers, the budget system makes that discrepancy immediately evident. Or, if one State institution is paying 25 per cent more per capita for food than other State institutions that fact becomes immediately apparent.

The budget system simply puts down in black and white all the requests for money out of the public treasury and enables the legislature which must pass upon the appropriations and the taxpayers who must raise the money to know at a glance whether these requests are essential or non-essential, whether they are reasonable or exorbitant, whether they are necessary or foolish. Then if the legislature appropriates money for non-essentials or for foolish things or for padded pay-rolls and contracts, it does so with its eyes open and in full knowledge of what it is doing, which makes it impossible for the legislators to plead ignorance to their constituents. Going still further back, if the Governor is made responsible for the budget as it is submitted to the legislature, it makes him, individually responsible for any irregularity in requests for money, and that in itself is an effectual check to wasteful government.

Finally the budget clearly shows the amount of revenue in sight and enables the Governor (or whoever else prepares it) who submits it, the legislature which is asked for the appropriations, and the taxpayers who must foot the bills to know if they are living within the means and not going to be forced some time to make a mortgage of the resources in order to pay their bills. The budget, in short, keeps the right hand posted as to what the left hand is doing."

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ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

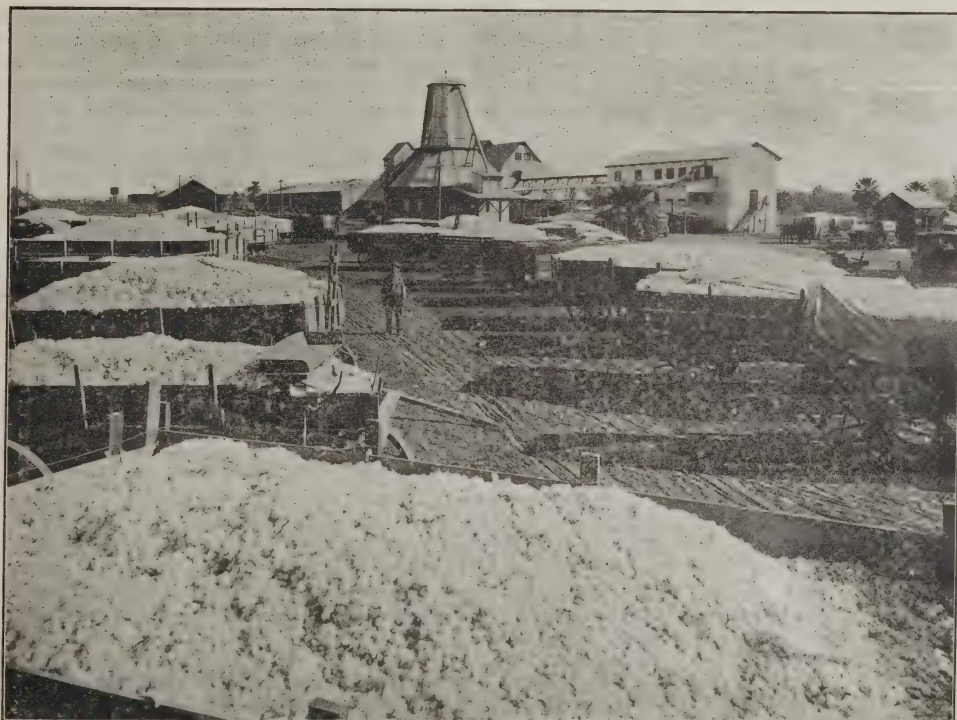
ARIZONA TAXPAYERS' MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME SIX

PHOENIX, ARIZONA, OCTOBER, 1919

NUMBER TEN



Picture shows Long Staple Egyptian Cotton at a gin. Some of a Salt River Valley product which is making Arizona famous.

EDITORIAL COMMENT

THE BIG STATE OF ARIZONA

WHEN the outside public looks in books showing the general statistics as to all the states, they will find Arizona credited with an area of 113,956 square miles, a population estimated at 267,912, and as they travel through and across the state as they may do in trans-country travel, that same public may not realize the fact that Arizona, the baby state of the union of states, is in natural resources, in picturesque scenery, in diversity of climate, and many other features which go hand in hand with the health, wealth and happiness of its people, second to no state in the union.

Arizona for Health, Peace and Happiness

If looking for health restoration, or if attempting to "escape the heat of summers or the severity of winters, Arizona presents the utopian end of such searches. In the summer the snow-covered peaks of mountains produce delightful places for summer recreation in the coolness of scenically beautiful surroundings. The San Francisco Peaks in Coconino county, the "mile high city" of Prescott and its vicinity in Yavapai county; the wildness of the National Forests with the White mountains that traverse the state through portions of Apache, Navajo and Greenlee counties, offer opportunities to the venturesome, silence and quietude for those whose nerves may have been shattered in the hustle and bustle of city life. Or in winter there is no day when the sun does not shine brightly in Yuma, nor when sunlight, balmy breezes and health giving warmth and pure air does not await and surround the invalid who may tarry in portions of Pima, Pinal and Maricopa counties.

The ravages of time have left their mark upon the surface of the state, but those marks by far excel any work of human hands. The painted desert, the petrified forests, the Grand Canyon, and many less known, but none the less scenic and beautiful pictures of nature's hand, abound within the borders of Arizona.

Arizona a Research Place for Science and Scientists

Archaeologists, geologists, mineralogists and others searching for historical

and scientific knowledge, get as near to the undisturbed surfaces of the earth round side by side with the results of phenomenal contortions of the earth from its origin to our present time, in their researches in Arizona as they are able to do in no other place in the world. Tribes of Indians still exist with their peculiar customs brought down undisturbed through the years gone by. Evidences of still earlier predecessors of the Indians are found in the homes of ancient cliff-dwellers still extant among the mountains. Evidences of former ages and of prior races of artisans, farmers and self-supporting peoples appear from un-erased irrigation canals, from ruins of buildings, such as the Casa Grande ruins in Pinal county, unnamed other ruins in other places upon what is now desert sands. Not the least in its characterization as to the habits and beliefs of those former peoples stands the San Xavier mission near Tucson in Pima county. All standing mute and silent witnesses to the fact that from the earliest ages, and with the earliest of the peoples of the earth, Arizona was then as it is now, the Mecca of those who sought for health, wealth, happiness and prosperity.

Arizona a Place for Materialists As Well As Idealists

To those of the public whose pursuit of things material, may have partially blinded them to surroundings of a more passive pastoral nature, Arizona presents objects, subjects and opportunities in full abundance. Nature has so provided that cattle and sheep can still range, live and thrive in countless numbers upon the summer ranges found in Apache, Coconino, Yavapai, Greenlee, Pinal and Gila counties. Those same herds may continue to live and thrive in the winter ranges provided by the lower and warmer regions in the more southern counties of the state. Nature has covered the millions of acres in the forest reserves of the state with forests, which await the progress of the milling industries of the state, that same be converted into lumber to meet the demands for homes, for buildings and other commercial enterprises within its state and without its borders.

The saw mills and lumber industries found in Coconino county have marked

the commercial growth of that county for some years past. Those industries will continue to thrive with abundant supply of timber at hand. Apache county will strive with its neighbor county for recognition as a producer of manufactured timber products. It has a ready become the site of one of the largest if not the largest sawmill in the entire west. New railroad thereto, and other facilities which have resulted from the untiring energies of its citizens, will certainly bring that county to the front as a formidable rival of that line.

Arizona a Place of Inexhaustible Mineral Wealth

Nature has concealed beneath the surface untold mineral wealth within the borders of nearly every county in Arizona. If Cochise county leads in the actual production of copper, if the counties of Gila, Yavapai, Pinal, Pima and Greenlee, closely follow that lead. If Mohave county has two of the largest gold producing mines in the world, and Yavapai, Yuma, Maricopa, Santa Cruz and other counties also claim recognition as producers of gold, copper, silver and other valuable metals. If diamonds are discovered in any of the counties where efforts are being made to bring it out from where it is hidden below. In any of the instances as to the respective counties referred to as being among the producers of any, all, or some classes of the precious metals named, does not properly place any county with respect to its real order in amount of production, then let it be remembered that this article is an all-together article as to the mineral resources to be found in Arizona. For the purposes of the article the fact that mineral does exist and has been found in any of the counties is sufficient. If the development of the mining industry in one county in fact exceeds the development in another county, that fact, if true, simply demonstrates the real object of this article, which is, that whatever the energy, persistence and continued efforts in the past may have been. Whatever the results now apparent from such efforts, those results are as nothing when compared with results which may be attained by still other, still more, and yet more numerous similar efforts now

commenced and to be continued into the future. Continued with like energy until all opportunities offered are exhausted, which means perpetuity, as those opportunities will never be exhausted in the future, by the generations of people in Arizona yet to live and strive, any more than those same opportunities were exhausted by the countless unknown, and unnamed tribes of peoples, the evidences of whose prior existence in Arizona, remains today by scratches here and there upon the surface.

Arizona Deserts Reclaimed by Irrigation Projects

The name Roosevelt will remain and be respected and honored by the people of Arizona, if for no other reason than the one fact that the name is and will be permanently connected with the irrigation project which bears that name. Yet that name is a name only, it does not bring to mind the untiring energies of the people of this state whose foresight saw the possibilities of and from irrigation of the apparently worthless deserts in Arizona. That name symbolizes the patient waiting, and long-suffering and enduring hardships of early settlers upon those deserts, who saw the end of the rainbow and stayed on until that end was before them in the shape of a completed irrigation project which

bears the name. Yet that project is but the pioneer project among the other possibilities for other similar ones. Yuma county, Santa Cruz county, Pima county, Pinal county and the more northern counties are waiting in line. The San Carlos Project in Pinal county will undoubtedly become a rival of the Roosevelt in Maricopa county. Yuma county is blooming forth as the result of a completed project around and near Yuma.

The feasibility, the practicability and the financial stability, which results from irrigation projects, need no further demonstration beyond what has been demonstrated in Arizona.

The dairy interests in Maricopa county, made possible by irrigation and crops of alfalfa, corn and grains necessary to support that industry. The thousands of carloads of lettuce, cantaloupes, melons and other vegetables, which have found their way to the markets of the country even to the Atlantic Coast. The citrus fruits produced and shipped. The actual production upon irrigated lands of two and three crops per year. These actual results, coupled with actual prosperity among the irrigated land ranchers in Maricopa, Pinal, Pima, Yuma, Santa Cruz and other counties of the state, demonstrate that the deserts of Arizona can be made to bloom for commercial purposes of all kinds to the permanent prosperity of its people.

Nor is prosperity long delayed where irrigation is provided. The slogan of the southern states used to be, that: "Cotton is king". Cotton is still king. But long staple cotton as produced in Arizona makes that slogan true, for in the production of that particular staple Arizona leads all other states.

Yes, Arizona is a big state. Big in present activities, but bigger yet in the possibilities which yet remain.

Arizona's Opportunities for Workers Not for Sluggards

The possibilities are here. The example is also present as to what may be done when the unceasing energies of a persistently working, never-tiring people are aimed towards no end at all short of making the most of those possibilities. The object lesson is simple and easily apparent. Arizona presents untold chances to every man, woman and child who will make that object lesson a part of their every day life. All things are possible in Arizona, and will come to him who works and follows the example of those who, by individual and united efforts, have never ceased working until Arizona is what it is today—a land of proven open possibilities to all who will join in the progress of the state for the future—who will join as workers and not sluggards.

Revision of Revenue Laws Suggested as Business Necessity

THE orderly conduct of financial affairs demands that money be available for the immediate payment of debts as soon as and at the time when those debts are due and payable.

Private individuals to be successful in their business affairs, see to it that their actual revenues will be available in advance of the time their promises to pay mature and change from the character of promises to pay into obligations upon which demand for immediate payment may properly be made of those to whom such promises were made.

The credit of individuals would not remain unimpaired except through strict adherence to the business rules and business principles, which are embodied in the foregoing concise statements.

Revenue Laws Fail to Harmonize

The revenue laws of the state of Arizona have never been revised since statehood, although many amendments

thereto have been injected into particular paragraphs of those laws. Experience in the actual application of the revenue laws taken as a whole, with the amendments actually made thereto, shows that the entire law does not harmonize with itself.

The broad statement that is made as to lack of harmony in the revenue law, is one which cannot be supported by detailed suggestions of any one article into a showing as to the real lack which actually exists. An attempt to cover the subject in one such article, would be in fact to outline a framework upon which to revise the laws in such manner as to make them harmonize. Only a few general suggestions will be made at this time.

For instance, the fiscal year commences with July first of each current year. Many acts now required to be taken by public officials, are acts not required to be done until different periods in the months of July and August of each new fiscal year, and are acts which when

done have the effect of relating back to that July first beginning of a new fiscal year. The new fiscal year, in fact, begins before the time when in actual practice the books of the old year can be closed. Too much work attendant upon the closing of that business is crowded into the last month of a closing year, with a result that officials find it impossible to actually close their books within the times limited.

Time for Action not Properly Adapted to Requirements as to Distribution of Funds From State to County

There are distributions of state funds made to counties out of school funds. The actual amounts to be so distributed are unknown until the state portion of expenditures from those funds has become known after closing the books as to that amount. The counties use a possible distribution from the state to the support of the common schools, as one

(Continued on Page Four)

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS' ASSOCIATION OF ARIZONA

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Revision of Revenue Laws Suggested as Business Necessity

(Continued from Page Three)

of the amounts in estimation tax-raised funds for school purposes. With the amount to be received from the state not known, with the county books not closed, the boards of supervisors are left in doubt. They estimate and estimate upon another estimate, when those boards should have certain figures to act upon.

Too Many Pay-Days as Compared With Collection Periods of State Funds

With the practice which exists of auditing and paying salaries and other current public expenses semi-monthly, there arises the necessity of so arranging funds that each monthly and semi-monthly pay day arrives when funds are actually in the treasuries to meet warrants drawn thereon. There are in fact twelve periods, and in many cases twenty-four periods in each fiscal year, as to which public promises for pay-

ment cannot be kept unless the revenues are so arranged that they will be actually in the treasury in like amounts equal to the demands to be paid. The semi-annual payment of taxes was a plan amended into the revenue laws of the state. That plan does not fit into the other plan of paying public debts in monthly and semi-monthly periods. A problem in fractions which requires eight-twelfths of the revenues to be expended during a period which requires the collection of only six-twelfths of those revenues will not work out in just proportions as between revenues actually collected and expenditures therefrom which should be paid. Not enough collections during the first eight months of a fiscal year, and a balance unpaid to be met from tax collections made during the last four months, with one-half of the total tax revenues not due until the beginning of that four months period.

The basis of all computations as to amounts which may become surely available for final expenditure in public activities, is the equalization values upon the county tax-rolls, as finally determined after all action by equalization boards—county and state board of equalization—with all exempt property eliminated.

Many State Funds Still Increasing Beyond Activities in Purpose of Appropriations

Funds are levied and collected for certain purposes. In several instances

under present laws, taxes have been levied for funds, collected and the proceeds placed in those funds, when the public activities respecting such funds have ceased. The money so in hand is in fact entirely idle money. It cannot be used for other public purposes. State and counties are compelled to pay interest on warrants drawn, say against "Fund A" when the revenues to the have not been received in time to pay warrants, while idle funds exist and stand credited and in fact available in "Fund B". Deficits in the one, continue year after year, show side by side with increased idle accumulations of public money in the other.

This article assumes that each officer is doing his full duty under the law as respects acts required of that officer in the matters of closing books as to public finances under his control; is likewise performing his duties faithfully as to all present requirements of law as to crediting, remitting and other distribution of public money collected by him. An attempt is being made to point out the fact that with all those duties performed, the officers cannot harmonize the law with acts required to be done under existing laws, and relieve the public against the effect of the law themselves.

The State Taxpayers' Magazine will welcome suggestions from any taxpayer state or county official—that the matter thereof may become the subject of detailing what is in this article mentioned only generally.

The Back Tax Situation in Arizona

ABOUT one year ago this Magazine advocated a strenuous campaign to county officials to the end of taking such steps as might be taken towards the collection of delinquent taxes outstanding upon the tax rolls. The result of that action was to bring into the state and county treasuries many thousands of dollars which otherwise would have been outstanding.

The State Tax Commission has kept the matter of back tax collections in mind and this year have compiled a statement of those taxes which is published below, and the figures of which with explanatory notes to that table of figures tells and explains itself.

Outside of what appears upon the face of the table, are matters which enter into the matter of unpaid taxes. Matters which go back of the question of the failure of responsible tax-payers

not paying taxes upon their property, and which in fact surround the property itself as a taxable asset of the state. Among those matters are the instances of property which continues upon the tax rolls year after year, and which property, in common language, "is not worth the taxes". Assessments are made and extended upon lands in some quarters, desert lands and lands actually deserted by former owners, and like lands as to which persons have attempted to make valuable, and which after futile efforts in the past, cannot be brought up to a value which will support either habitations or other uses and which after such attempts has been abandoned. Assessments made upon lands or property of that class seriously affect the financial arrangements of the state and county. No matter how small the assessment, nor how little the

amount of tax levied upon any single entry against such property, that amount will never become available for expenditure in public activities. Accretions to those amounts, made year after year, only deceive the officials as to amounts which may be available for public expenditures. Those officials make up budgets with respect to total assessed valuations with rates thereon to produce the budgets. Just to the extent that property upon which the tax levy is made and under present conditions of real value of property that levy will never be paid, to that extent the financial transactions of the state and county will be thrown out of gear.

In other words, assessment rolls should be carefully revised with the purpose of dropping therefrom all worthless, unoccupied and unclaimed property, actually abandoned. If this had been done in the past, then the amount of taxes actually collected upon last year's rolls would become a more certain basis upon which to estimate amounts available for expenditure for this year. Applying the words of the tax levy law to mean

"taxes collected" as distinct from taxes "levied" to arrive at a more certain amount. Such a practice would result in figures as to delinquent taxes which would include amount which will ultimately be collected, and exclude amounts which will never be paid.

The complaint is made that tax money is not available in time to avoid the issuance of interest bearing warrants, that is, warrants which will when presented to the treasurers, become registered warrants. The matter specially referred to may appear of minor importance at first, but in truth it is one of those things which ultimately, and when added to other like and apparently unimportant details, all together assume proportions which unnecessarily add to the burdens of the taxpayers. As to each of those details, each should be eliminated, one at a time, and all with the result of saving time, interest and the public money.

As to the collection of delinquent taxes the collection of which is actually possible, efforts made by public officials deserve support.

a message to congress on June 27, 1912. Although congress did not act favorably upon the President's recommendations, their effect was not lost. Almost immediately the discussion occasioned by them spread to the states, with the result that the term "budget system" found a prominent place in party platforms and became a vital issue in state politics. Several of the states whose finances were in a depleted condition were already feeling keenly the need of a uniform system of control over their revenues and expenditures—a system which would correlate the two and establish definite administrative responsibility. Consequently they at once seized upon the idea of a budget system and embodied a form of budgetary procedure in their law. Because of only a meagre understanding of the principles of a correct budget system and in some instances, because of political expediency the type of budget adopted did not always fix definite responsibility and the budgetary procedure provided was usually very incomplete.

COMPILED BY THE STATE TAX COMMISSION OF ARIZONA REPORT OF DELINQUENT TAXES

As of July 7, 1919

County	1915	1916	1917	1918	Total
Cochise *1	\$ 216.01	\$ 389.56	\$ 2,166.63	\$ 2,896.43	\$ 5,668.63
Cochise	7,648.03	8,481.16	12,975.32	51,294.84	80,399.35
Cocino	2,361.86	2,967.81	5,611.63	19,375.44	30,316.79
Gila	1,009.94	3,173.45	6,389.34	29,549.35	40,122.08
Graham	1,544.63	5,447.09	13,449.26	30,634.22	51,075.20
Greenlee	913.45	510.88	3,570.54	12,845.52	17,840.39
Maricopa *2	12,700.00	18,200.00	51,606.52	199,470.32	281,976.84
Mohave	343.68	2,052.10	7,339.60	13,152.07	22,887.45
Mojave *3	1,562.84	1,848.91	4,317.08	18,794.99	26,523.83
Yuma	1,322.06	5,866.03	25,166.28	60,432.61	92,786.98
Yuma	1,477.46	1,380.01	1,993.56	21,070.73	25,921.76
Santa Cruz	29,694.60	27,778.21	21,616.81	28,955.81	108,045.43
Yavapai	20,076.55	13,836.31	16,568.81	29,054.90	79,536.57
Yuma *4	1,044.10	3,968.57	9,633.64	22,137.15	36,783.46
Totals	\$81,915.22	\$95,900.09	\$182,405.07	\$539,664.38	\$899,884.76

*1 as of Sept. 30, 1919 for 1915, 1916 and 1917.

*2 estimated for 1915 and 1916.

*3 as of October 25, 1919 for 1915-16-17.

*4 as of January 1, 1919 for 1915, 1916 and 1917.

Executive Budget in the States

(California Taxpayers' Journal)
ONLY within the last ten years has any recognition been given in this country to the importance of sound principles of budget making as a means of avoiding waste in public expenditures and of securing better service in public administration. In fact, the first thorough study of budgetary procedure

to be made in this country was that produced in connection with an investigation of the appropriation methods of the national government by President Taft's commission on economy and efficiency, which was organized in 1911. As a result of the work of this commission Mr. Taft came out strongly for an executive budget and embodied his proposals in

Budget Movement in the States

The movement for budgetary reform in the states may be said to have actually begun in 1913, although two years prior to this time Wisconsin and California enacted laws containing some provisions for the establishment of budget methods. During 1913 six states enacted budget legislation, the laws of three of which, namely, Arkansas, Ohio and Oregon, have not since been revised. Each year since 1913 budget legislation has been enacted in one or more states. Beginning with 1916 an increased number of states have been added each year to the list of those having the budgetary provisions. The present year, however, shows the greatest activity of any year. Eleven new states—Alabama, Arizona, Colorado, Idaho, Maine, Montana, Nevada, New Hampshire, Oklahoma, South Carolina and Wyoming—have provided for budgetary procedure by statute, while four states—Connecticut, Nebraska, New Mexico and South Dakota—have revised their budgetary procedure.

At the present time there are thirty-nine states which have provided, either by constitutional amendment or by statute, for permanent budgetary procedure of one type or another. In addition to these, four other states have taken steps looking toward the adoption of budget methods. Delaware enacted in 1917 a law adopting an executive budget plan for a single session. During the same year Michigan provided for a temporary budget commission of inquiry and North Carolina enacted a law making

it the duty of the legislative reference librarian to receive and compile the estimates for the legislature. The Indiana legislature of 1919 passed for the first time a proposed budget amendment to the constitution modeled directly after the Maryland executive budget amendment. There remain only Florida, Missouri, Pennsylvania, Rhode Island and Texas that have not yet adopted or are in the course of adopting some form of budgetary procedure.

Types of State Budget Systems

The budget plans, which have been adopted by the states, may be classified under four types with reference to the location of responsibility for the initiation of the budget. These types are (1) the executive type, when the Governor is made responsible for the formulation of the budget; (2) the administrative board type, when a group of administrative officers (usually including the governor) is responsible for the preparation of the budget; (3) the administrative-legislative board type, when a committee composed of both administrative and legislative officers prepares the budget; and (4) the legislative type, when the budget is prepared by a legislative committee.

The budget plans of twenty-two of the thirty-nine states having permanent budgetary procedure may be classified under the executive type. These states and the dates of the adoption of their plans are as follows: Arizona (1919), Colorado (1919), Idaho (1919), Illinois (1917), Iowa (1915), Kansas (1917), Maryland (by constitutional amendment, 1916), Massachusetts (by constitutional amendment, 1918), Minnesota (1915), Mississippi (1918), Nebraska (1915, repealed by new law, 1919), Nevada (1919), New Hampshire (1919), New Jersey (1916), New Mexi-

co (1917, repealed by new law, 1919), Ohio (1913), Oklahoma (1919), Oregon (1913), South Carolina (1919), Utah (1917), Virginia (1918) and Wyoming (1919). However, the budget plans of three of these states contain variations from the true type of executive budget. The New Hampshire budget law provides that the state treasurer shall compile the estimates and the governor-elect shall make recommendations thereon to the legislature. Under the provisions of the Oregon budget law the secretary of state tabulates the estimates which the governor transmits to the legislature together with executive recommendations. The budget law of South Carolina provides that the chairman of the house ways and means committee and the senate finance committee shall sit with the governor at the public hearings on the estimates, but responsibility for submitting budget recommendations to the legislature is placed upon the governor.

Nine states have budget laws which create budget-making authorities of the administrative board type. In these states the boards which prepare and present the budget to the legislature are composed of the administrative officers of the state government and are constituted in one of the following ways: (1) ex-officio members only, (2) ex-officio members and members appointed by the governor, (3) members appointed by the governor. These states and the dates of the adoption of their budget plans are: Alabama (1919), California (1911), Connecticut (1915, amended 1919), Kentucky (1918), Louisiana (1916), Montana (1919), Tennessee (1917), Washington (1915) and West Virginia (constitutional amendment, 1918). Of these nine states six provide that the governor shall be a member of the budget board and he

controls by appointment the budget boards of the three remaining states.

Six states have budget laws providing for budget boards or committees consisting of both administrative and legislative officers. These states are Georgia (1918), Maine (1919), North Dakota (1915), South Dakota (1915, amended 1919), Vermont (1915) and Wisconsin (1911). In every case the governor is a member of the budget boards.

Two states—Arkansas (1913) and New York (1916)—have budget laws which provide that the budget shall be prepared and submitted to the legislature by legislative committees.

Executive Type of Budget Preference

Of the thirty-nine states having provisions for budgetary procedure at the present time, twenty-two have adopted the executive type of budget. Of these, twenty-two states two enacted the budget legislation in 1913, three in 1914, two in 1916, four in 1917, three in 1918 and eight in 1919. These figures indicate that the executive budget idea has rapidly gained favor since 1916. It was at this time that the first comprehensive executive budget was adopted by Maryland and made a part of the state constitution. Since 1916 the Maryland budget provisions have been largely copied in the budget laws of six states. The Virginia budget law, enacted in 1918, has been adopted in modified form during the present year by five states. It thus appears that the Maryland and Virginia forms of the executive type budget have found greatest favor among the states adopting this type. Briefly stated, the essential difference between the two forms is that the Maryland form places limitations upon the power of the legislature to increase the executive proposals, while the Virginia form does not.

The Relative Powers of County Highway Commissioners and Boards of Supervisors Covered by Two Supreme Court Decisions

(Cause No. 1776)

THE question of control over highway funds which are raised as the result of bond issues by counties, and other questions as to general powers of county highway commissions and of boards of supervisors to make contracts for counties are covered by two decisions of the supreme court recently rendered. Those decisions go into matters which are so prominently before the people of this state at this time, i. e., the building of highways, as to warrant a printing of same in full, as follows:

This is a companion case to Bone vs. Highway Commission (No. 1777) just decided, and has for its object the restraining of the Board of Supervisors of Maricopa County and the Highway commission of Maricopa County from entering into a plan or scheme they have formulated whereby the Commission proposes to advance to the Board the sum of forty thousand dollars to be used by the Board to purchase a rock crushing plant to manufacture rock to be by them turned over to the Highway Commission at cost, and to be used by the Commission in its program of highway construction. More in detail, it appears from the

pleadings that the Commission has in its possession four million dollars which it is authorized to spend in road construction in Maricopa County. This large sum was voted by the electors and tax payers of the county upon the proposal submitted to them that it would be sufficient to construct and improve some two hundred and seventy-eight miles of highway described in the proposal. The effort is to make the money do the work. The scheme evolved by the commission is one thought to be in the interest of economy, and was devised solely for the purpose of securing the most possible road construction with the funds voted for road building. This is apparent from the pleading

on which the question is submitted, as also on the arguments and briefs of counsel. It stated that the crushed rock entering into a program of road construction alone will cost five hundred thousand dollars. The plan scheme as stated by counsel for the Highway Commission is as follows: "In its advertisement for bids the Commission states that it will pay the contractor for the crushed rock furnished by him, in the following manner, that is to say, by paying forty thousand dollars (\$40,000.00), at the time of entering into the contract and then the balance after forty thousand dollars worth of said crushed rock shall have been delivered to and accepted by the Commission, cash on delivery. The Highway Commission and the Board of Supervisors of Maricopa County have a mutual understanding and agreement to the effect that said Board of Supervisors will put in a bid in response to said advertisement to furnish said crushed rock to the Highway Commission, said Board of Supervisors to name a sum certain per unit of measurement as its bid, but to make said bids so low as to pay only for the cost of production. It is admitted by both parties to the above entitled cause that the Board of Supervisors, owing to the fact that it will not seek to make a profit, will be the lowest responsible bidder. In the event that the board of supervisors is the lowest responsible bidder for furnishing this crushed rock, then upon the contract being entered into and satisfactory security being given to said board, the Highway Commission will pay said board the sum of forty thousand dollars (\$40,000.00) as a part payment of the purchase price of the crushed rock to be furnished under the contract. This sum the Board of Supervisors will use in purchasing and installing proper rock crushing machinery to enable the said board to fulfill its contract."

It is the contention of appellant that the Board of Supervisors has no power or authority by law to bid or contract for the crushing and furnishing of the rock needed, or to purchase a rock crushing plant to be used for that purpose. Looking into the provisions of Chapter 17 of the Laws of 1917, and acts amendatory thereof, under which bonds for road building were issued and the Highway Commission was created and is acting, we find the powers and duties of the Board of Supervisors therein enumerated. They are given the power and duty: (1) To order and supervise the bond election; (2) To appoint the members of the Highway Commission, and fill vacancies in the commission, to fix amount of commissioners' bond and approve it, and to remove a commissioner just cause; (3) To publish at least two weeks before the bond election "without alteration, or modification" the Highway Commission's report of its investigation and recommendation of highways to be improved, and to include in the call for election only such highways; (4) To pay the actual and necessary expenses incurred by the board in holding bond election, etc., out of the general fund of the county until the road bonds are sold, when the general funds of the county shall be reimbursed; (5) To sell bonds issued to improve highways and deposit proceeds with the county treasurer in a special fund designated "Highway Improvement Fund"; and (6) After the public highways have been improved as in Chapter 31 provided, to keep them in repair, paying therefor out of the general fund of the county.

The act contains a positive prohibition against any supervisor being appointed a member of the Highway Commission; and there are no prohibitions by implication against their participation either in the location of construction of the highways. For instance, they are

forbidden the power to alter or modify the program of improvement proposed by the Highway Commission; the money derived from bond sale can be paid out only upon the order of the Highway Commission; any money expended by the Board out of the county general fund in the organization program of improvement must be repaid to the county out of the Highway Improvement Fund, and the only direct grant of jurisdiction over the public highways to the board is after the improvement is made.

Moreover it is provided that "All work for which said bonds are issued shall be done under the supervision and direction of the Highway Commission." The work of construction must be let to contractors after advertising and upon competitive bids in all cases except where the work costs one thousand dollars or less, when it may be done by the Commission on force account.

The county is a body corporate and, like other corporations, must exercise its powers through its officers and agents. Contracts made by an officer or agent of the county, on its behalf, in pursuance to some law authorizing it, are contracts of the county. The obligation of the contract in such case is the county's and not the officer's or agent's. Gannon vs. Hohense, 14 Ariz. 523, 132 Pac. 566.

The legislature, in Chapter 31, supra, as we have seen, thought it practicable and wise, in the plan of road building therein provided for, to designate two agencies and to give to them separate and distinct powers to be exercised, not in their behalf, but for the benefit of the county and its representatives. The agent therein designated to locate highways and to spend the money in their construction is the Highway Commission. If the Highway Commission enters into a contract by which it agrees to pay for certain work or material needed in highway construction, the contract is the county's and must be discharged and satisfied with the county's moneys. Now, if the contractor be the Board of Supervisors in their representative capacity, the agreement to do the work or furnish the material is the county's obligation and not the supervisors', and we then have the paradoxical situation of the county contracting with itself. Under the definition of a contract, there must be at least two parties, the one offering and the other accepting. This condition, inherent in every contract, is not met when the county through its agent, the Highway Commission, agrees with the county through its agent, the Board of Supervisors, to do or to refrain from doing a certain thing. Failing in necessary parties, the contract likewise fails in consideration and mutuality. If, as proposed in the scheme, the Highway Commission advances to the Board of Supervisors forty thousand dollars out of the Highway Improvement Fund with which to purchase the rock crushing plant, it would simply amount to taking the money out of one pocket and putting it into another pocket. It would still be the county's money. A bond for its faithful use given to the Highway Commission by the supervisors would be a bond from the county to the county, the plan or scheme proposed, reduced to its final analysis, amounts to this: The Highway Commission would advance to the members of the Board of Supervisors funds to purchase a rock crushing plant, which the latter agree to pay back with crushed rock at cost, and to crush all other rock needed and furnish it to the county at actual cost. If it be the contract of the members composing the board, and not the contract of the Commission, it will violate Par. 2446, Civil Code, wherein it is provided that no member of the board shall be interested, directly or indirectly, in any contract made by the

board or other person on behalf of the county for "the opening or improvement of roads"; and if it be the contract of the county, it will result in doing a large part of the construction work by force account, a violation not only of the spirit but the letter of Chapter 31. As a matter of law, such an arrangement could not, for the reasons suggested, culminate into any kind of contract binding and enforceable, either against the Commission or the individual members of the board. It would simply be a mutual understanding and agreement between the Highway Commission and the members of the Board of Supervisors, without sanction of law, whereby the latter would volunteer their services free of charge to the Commission in looking after and managing certain parts of the work, and the Commission accepting the tendered services would agree to purchase and turn over to the members of the Board a rock crushing plant and to pay all costs of producing the crushed rock needed, which is estimated to cost five hundred thousand dollars, or one fourth of the entire bond issue. If this arrangement can be made as to the crushed rock, we perceive no reason why the members of the board can not be employed to furnish the sand and cement as also to grade and lay the road bed and thus consume by force account the whole fund of four million dollars. The Board's proposition to do the work and furnish the material at actual cost admittedly will prevent others from bidding, as no one except the county would want to, or could afford to, build county roads at actual cost.

The law provides that contracts to do the work or any part thereof, must be awarded to the lowest responsible bidder. This is repugnant to the idea that the work may be done by force account, and it cannot be defeated or nullified by the county formally asking for bids, knowing all the time it will award itself the contract, having previously made all arrangements to do so through its Board of Supervisors.

The general provisions of the law conferring upon the Board of Supervisors the power to "lay out, maintain, control and manage public roads" ★ ★ ★ and "levy taxes" therefor", (Subd. 4, Par. 2418 and 5058, Civil Code) can not be appealed to as authorizing the Board to participate in the construction or improvement of highways undertaken by the county under the provisions of Chapter 31, for the reason the latter is a special statute in which a particular named body of men are empowered to supervise and control the work therein contemplated.

The County speaks and acts through its officers and agents, and, before their utterances can have binding effect, they must find warrant in the law. As was said in Santa Cruz County vs. Barnes, 9 Ariz. 76 Pac. 621: "The only powers possessed by the Board of Supervisors are those expressly conferred by statute or necessarily implied therefrom." Kenney vs. Bank, 19 Ariz. 338, 170 Pac. 866; Board vs. Buckstegge, 18 Ariz. 277, 153 Pac. 837.

More broadly stated: "It is well settled that a county board possesses and can exercise such powers, and such powers only, as are expressly conferred on it by the constitution and the statutes of the state, or such powers as arise by necessary implication from those expressly granted, or such as are requisite to the performance of the duties which are imposed on it by law." 15 C. J. 457, Sec. 103. We can find no provision in our laws, nor have counsel referred us to any, that expressly or by implication gives the county, through its Board of Supervisors, or any other agency, the power to engage in the manufacture of crushed rock for

sale to itself or to its agents, the Highway Commission.

Counsel for appellees in his brief intimates that the proposed plan or scheme possibly finds warrant or sanction in that provision of the state constitution which gives to the state and each municipal corporation therein the right to engage in industrial pursuits. Sec. 34, Art. 2. Whether this provision covers counties or not, we do not think it necessary to decide. It is not self executing. Before the state or one of its municipal corporations could undertake to carry on or engage in an industrial pursuit, legislation would have to be provided therefor. Otherwise it would have no funds to be used in such enterprise, nor rules nor regulations to guide it. It could not buy equipment nor pay for labor. Public money can only be raised and used for specific purposes and those purposes must be pointed out by law. Sec. 3, Art. 9, Constitution.

If the Board of Supervisors as the agents of the county can lawfully enter into the proposed contract, they must do so on the same footing as any other contractor. They must be real and not simulated contractors. They must show wherein the law has endowed them with powers to enter the fields of industry in competition with private capital, the rule being that a county has no right to do any act or to engage in any business unless expressly authorized by statute. 15 C. J. 419, Sec. 51; *Breathitt County vs. Hamonds*, 150 Ky. 502, 150 S. W. 661; 42 L. R. A. (N. S.) 836; Ann. Cas. 1914-D. 514.

It may be that the county will suffer great financial loss because the Highway Commission and the Board can not carry out the plan evolved, after much thought and investigation, by men confessedly actuated by the highest and best motives, and for the sole good of the county. However that may be, we must all yield to the law as drawn and enacted by the legislature. If the law needs to be changed in the interest of economy or efficiency, the body to do that is the legislature and not the courts. The fact that the scheme for road construction submitted by the agents of the county is or may be a money saver to the county and a better scheme than the one provided for by the legislature, will not justify its adoption by such agents and much less can the court—whose duty it is to construe the laws and not to make them—by its solemn judgment, sanction such a course.

For the reasons given, we feel constrained to reverse the judgment with the directions that the demurrer be overruled and the prayer of the complainant be granted."

(Cause No. 1777)

This is an injunction proceeding brought by appellant as a taxpayer and qualified elector against the Highway Commission for Maricopa County, asking that the Commission be enjoined from advertising for certain bids and from letting certain contracts to furnish crushed rock, sand and cement to be used in the construction of highways in said county. The complaint sets forth a program of highway construction for said county theretofore adopted by the board of supervisors and approved by the electors of said county, in pursuance of the provisions, and amendments thereto, of Chapter 31, Session Laws of Arizona, Regular Session, 1917. It is shown that bonds of the county to the amount of four million dollars have been voted, issued and sold for the purpose of

building and improving highways of the county; that the character of the work to be done has been determined and that plans, specifications and profiles have been prepared by the Commission, or under its direction, and that the Commission is advertising for bids for the furnishing of rock, sand and cement called for by the plans and specifications to go into the construction of highways, the said bids and contracts to be separate and apart from the work and labor needed in the construction or improvement of said highways.

The county attorney, in behalf of the Commission, filed a demurrer to the complaint, and answered admitting the allegations of the complaint. The demurrer was sustained and the appellant elected to stand upon the complaint, judgment of dismissal was entered.

The appeal involves the construction to be placed upon Section 8 of said Chapter 31 as amended by Chapter 63, Laws of 1919, the material part of which is as follows: (Statute quoted but not here repeated).

It is contended by appellant that separate bids for the material such as crushed rock, sand and cement can not lawfully be advertised nor contracted, but that bids and contracts must be to complete the highway or some portion thereof—that is, that the offer must be, and the acceptance must be, for all or a fraction of the designated highway—the work to be done by the contractor to consist of the furnishing of all material as well as the actual physical placement thereof upon the ground. He would limit the power of the Commission in letting a contract to one for the whole of a given highway or program of highways—the contractor to do all the work and furnish all materials—or to a portion of a highway or highways, the contractor to do all work and furnish all material for such portion.

It is the contention of appellees, Highway Commission, that the work of construction under the above statute is susceptible of a division so that contracts may be let to different bidders on the same piece of highway, that is, the furnishing of sand, crushed rock and cement, or either of them, and the grading of highways and placing of material may be separately advertised and contracted so that several contractors may be employed in the construction or improvement of said highways, or a portion thereof, at the same time.

The words "work", "all work", "such work" and "said work" doubtless have reference to the whole program of construction or improvement. *Hannah vs. South St. Joseph Land Company*, 126 Mo. 1, 28 S. W. 652. This would include the grading of the road bed, the furnishing of all materials and the laying it. Plans, specifications and profiles of the work are required to be prepared. These of course show in detail the character, location, grade, length and width of the highways, and the material to be used in the improvement or construction. As soon as funds are realized from bond issue, it is made the duty of the Highway Commission to "advertise for bids for the doing of said work, or any part thereof, in accordance with

such plans, specifications and profiles", and "every contract for the doing of any part of said work shall be let ★ ★ ★ ★ to the lowest responsible bidder" ★ ★ ★ ★ "provided the Commission may reject all bids received, and ★ ★ ★ ★ re-advertise for bids for doing any part of the whole of said work." This language, we think is fairly susceptible of the construction contended for and placed upon it by appellees. A part of the work, where crushed rock is called for by the plans and specifications, would be the manufacturing and furnishing of crushed rock and as much so as the placing it in the road bed. The work on a given number of linear feet, yards or miles of construction or improvement would include the doing of everything called for by plans and specifications upon such linear measurements to make it a complete and finished unit of the program of construction and improvement, but this work, under the statutes may—in the discretion of the Highway Commission—be divided into its integral parts and advertised and contracted accordingly, that is they may, by advertising as provided let contracts for furnishing crushed rock, sand or cement separately from the contracts to grade and lay the road bed, or they may let contracts for the whole work or complete parts thereof. The word "work" means the product of labor and material. *Trustees v. Andrew*, 115 Md. 541, 82 Atl. 452. The language of the statute does not say, nor purport to say, that contracts must be for completed segments of the program of construction or improvement. On the contrary, it plainly implies—indeed states—that contracts may be let for any part of the work or the whole, leaving it to the Highway Commission which it shall be, for the reason that it can investigate and ascertain which method will secure the best work for the least money. The latitude of discretion and action upon the part of the Commission, we must assume, was purposely conferred in order to permit persons of small means to bid for and contract some part of the public work. This would not be possible if the work must be let as a whole or in large units, since only a very few could command the capital necessary to furnish the equipment and prosecute the enterprise or undertake the work.

The suggestion by appellant that the letting of separate contracts for integral parts of the work must result in doing the work by force account, we do not consider as likely to happen. It is only where the work to be done does not exceed one thousand dollars that it may be let or contracted without advertising. Accepting his construction of the statute, that the contract must be for the entire work or a complete piece of road, it would not defeat the work being done by force account, if the Commission were disposed to disregard the clear intent of the law by cutting the work into segments costing one thousand dollars or less. We must assume that the Commission will in all ways administer the law in good faith and in conformity with its spirit, with a view of securing the very best road construction for the least money.

The judgment is affirmed.

1c. Paid
Phoenix, Ariz.
Permit No. 18

ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

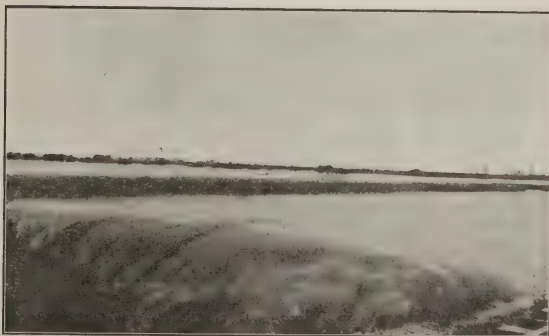
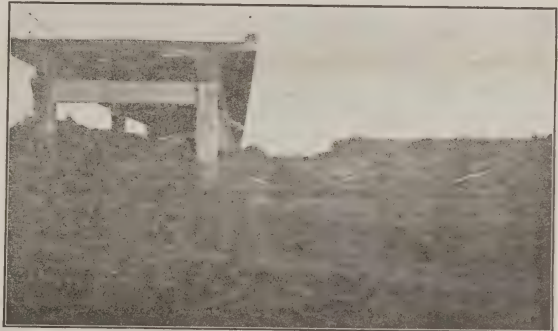
ARIZONA TAXPAYERS' MAGAZINE

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VOLUME SIX

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NUMBER ELEVEN



Scenes From Agua Fria Bridge at Coldwater, After Recent Flood
Maricopa County

EDITORIAL COMMENT

Water, a Far Greater Asset Than Liability to Progress in Arizona

On the front page of this issue appears pictures which show what water may do, and in fact did do to the bridge and approaches thereto over the Aqua Fria River, near Coldwater, in Maricopa county. That river, almost dry during the greater part of the year, becomes the drainage canal for the water sheds surrounding its source and for the deserts which slope towards its bed along its course. When actively engaged as a river in the ordinary sense of a flowing river it spreads its banks, and at the point where those pictures were taken, and during the flood when taken, the flow of water was over three quarters of a mile in width, and to a depth of from twelve to fourteen feet. Some idea as to the rush of that flow may be obtained by one of the pictures, which shows the rolling torrent on its way between the banks of the highway, and the railroad bridge, which parallel each other across the river.

The last legislature appropriated \$50,000.00 for the construction which as appears from two of the pictures has been carried away. Those pictures show the ragged ends of the highway bridge, after the raging waters have subsided to more nearly a normal flow.

The Importance to the State of Bridges Now Out From the Floods

The highway of which this bridge was a part is the connecting link between Phoenix, and the Buckeye Valley, so far as Maricopa county is concerned. That highway is also a through one across the state, leading towards Yuma county and from there into California towards San Diego, from other main highways into Phoenix which start in more eastern, northern, and northeastern portions of the state. With the bridge out, a main artery of travel is severed, and the initial loss of the amount used to construct it, is small as compared to the loss which will follow from an interruption of means for transportation, necessary to the handling of crops and other commodities incident to ranching and farming activities on each side of the bridge.

Flood Losses May Seem Large, But Are They So in Fact?

These flood losses are large. Every flood entails loss and damage to state and county highways of the state. We

look to appropriations, we look to construction therewith, and then we look at what is left after the flood waters have taken their toll, and may be prone to figure water as a net liability in this state.

Credit Products of Irrigated Lands Against Flood Damage to Bridge

But there is another side of the proposition. We find that the last report of the State Board of Equalization gives an aggregate of 447,956 acres of irrigated lands in this state, assessed at an average unit value of \$102.52 per acre, or with a total assessed valuation of \$45,922,911.49. Looking around over the various parts of the state which have lands under permanent irrigation projects, and we find rental values ranging from \$25.00 to \$75.00 per acre per year for these lands. Unofficial statistics, compiled by persons who actually handle large portions of the products of these irrigated lands, and who have means of knowing the actual amount of sales of those products, show that the Salt River Valley produced over \$40,000,000.00, and Yuma County produced over \$6,000,000.00 from these lands in a single year. Permanent structures to make water surely available for irrigation of these lands, has made permanent the actual values of the lands, and lend assurance to the assertion that the irrigated lands of this state, as they now are, and as they will become when the San Carlos reservoir project in Pinal county, the Lyman Dam project, and other similar projects become permanent as sure sources of water supply to the lands lying under them, will become of the greatest importance in bringing about the future commercial and agricultural progress of Arizona.

Also Credit the Prosperity of Cattle, Sheep, and Dry Farming Activities Against Damage By Water

There is still another credit to be given the Flood waters of the State of Arizona. There are 4,274,353 acres of dry farming and grazing lands having an assessed valuation of \$16,217,471, as shown by the equalized valuations of property in the proceedings of the State Board of Equalization. There are also 887,751 head of range cattle with an

assessed valuation of \$26,607,878 together with 748,033 head of sheep and an assessed valuation of \$5,930,444 appearing in the assessed valuation of the property of the State of Arizona. The prosperity of the cattle men and the sheep men depend to a large extent upon the rainfall in the state and the availability of water for use of the herds. In addition to dry farming and grazing lands which appear upon the rolls, there are thousands of acres of public lands which are leased to the interests for the purpose of grazing stock raising and as to the question of water supply is equally important.

In its various phases of use directly connected with the commercial and industrial progress of Arizona there is one element of more value than water and no element which plays a greater part as between prosperity with its absence and the reverse in its absence.

The Lesson of Our Pioneers in Handling Water An Experience Lesson

The early settlers of this state learned the lesson, that insufficient and unstable dams, reservoirs, and other irrigation works, became sources of repeated losses, and disappointed hopes. Those settlers are now quite united in the opinion that nothing short of permanent structures for irrigation, worthy of consideration. They hold that while the initial cost incident to permanency is large, the ultimate results therefrom put their irrigated lands upon the right side of the ledger, final prosperity to the owners.

In building highways with their bridges, the people of this state are dealing with the same streams, and facing the same frequently recurring flood-water conditions, as were faced in the early days of attempted irrigation by means of makeshift diversion dams, and hastily constructed reservoirs for the purpose.

Permanent Construction to Meet All Possibilities Only Sure Remedy Against Continual Loss By Floods

By analogy of reasoning, and as a result of similar experiences, bridges which are to be built across the rivers of this state, should be constructed without regard to first cost, unless that

est is estimated and will cover permanent constructions. Construction which will withstand the most violent floods and so preserve at all times lines of highways necessary to the successful progress of the state.

If the weakest link in the chain of a highway system is a bridge, then

that link must be made strong enough to withstand all tests to which it is put, or the whole chain is of little use when that link breaks.

This article is simply suggesting that water pays its way in Arizona, even with frequent damage to the highway considered as loss on account of water. Also

suggesting that good business, based upon experience in the handling of our streams, demands, that every effort should be made to reduce the loss account, and do so by permanent construction at points in our highways where those losses and damage are almost certain to repeat themselves.

SPEEDY HIGHWAY BUILDING

There are some persons who so far from the sight of what must be done in the way of planning for any kind of construction at all, that they put themselves in the attitude of complaining about the time it takes to do things, and unreasonably censure public officials for delay, no matter for what cause that delay ensues, if they do not see roads and other public structures under way that day, when the appropriations were made the day before.

That day when the farmers all joined in a "barn raising", and those times when the farmers and people needing a particular line of road, got out with their tools, their teams, and supplied their personal labor towards the building of roads, has passed away. Those days when the road overseer, gathered up a gang of men, with a few tools, and passed along over the highway, making a few repairs, putting in a culvert there, and opening up a passable road somewhere else, are also things of the past. Public officials of today face entirely different situations, placed in between the making of appropriations, and the use of those appropriations in highway construction, than existed in former days.

The Preparation of Plans for Roads Consume Time

Among those conditions is the always present necessity of preparing plans and specifications as to what is to be constructed. This may be followed by required action on the part of the board of supervisors, or on the part of the county highway commission, or on the part of the directors of state institutions, action which either approves or disapproves what is suggested in the plans prepared by their engineers. It takes time to prepare plans and specifications. It takes time for joint action as to approval or disapproval, and it takes more time to redraft plans and specifications according to any changes from those first proposed.

It Takes Time to Let the Contract
If the work is to be let by contract,

it takes time to advertise for bids, it takes time to settle upon who is in fact or may be the lowest possible bidder, and more time to finally close up the contract, with an approved bond given by the successful bidder.

The forgoing are merely part of the incidents which are connected with every piece of road construction to be made with public funds. The character of the particular fund to be used for the purpose, may call for action by different boards and bodies, but whether the funds are raised by bond issues in counties, or raised by county tax, or by state tax, concurrence in the final plans must be that of two or more different public bodies.

Time Is Taken for Approval by United States Officials

The post-road aid funds, which today are playing an important part in the financing of road projects in this state, have attached to their availability, certain draw backs, when the matter of time to be consumed before construction may be commenced, is commenced; if those funds are to be used in payment for that construction. Those funds are available when plans and specifications have been submitted to, and approved by district engineers acting for the United States. Those engineers must first approve the plans, and then still other officers of the United States must approve the project and allot the funds.

Time Taken to Revise Plans if Revision Necessary

Should the officials of the United States approve the project in the main, but not according to plans detailed, if changes are suggested, then the work starts all over from the beginning, and new plans according to those proposed changes have to be made, again approved, again re-submitted, and if finally approved all around, then the work of construction begins, or contracts for construction are to be let. And in fairness to the different public officers involved,

it can be said to those who complain that the work of highway construction does not progress with sufficient rapidity to satisfy their individual ideas upon that subject, that it surely takes time to get ready to start to build roads.

Many Road Projects Passing Through State Officers Supervision

Within the subject above mentioned it must be remembered also that every county in the state has several road projects in view. The officials of each county, are particularly interested in their local projects. But when co-operation in those projects calls for action on the part of state and United States officials, the burden upon the latter is many times increased, and in fairness to all, each must be served in line, and wait their turn. This again takes still more time.

Even after road construction is actually started, the matter of materials may become one causing still further delays. At the present time the old stocks have been exhausted. Present production is diminished for causes which cannot be quickly removed. To get the most value for the least money, is today a greater problem than ever before. This situation produces still further time, which to those not familiar with the real situation, appears to be time unnecessarily lost.

But haste makes waste. The people of this state want highways, but they also desire good ones, and permanently constructed ones. Especially is this true as to roads to be constructed out of bond issues. Certainly the people do not wish to be paying principal upon bonds, long after the roads first constructed with bond raised funds, are things of the past.

Just give the officials an opportunity to adjust themselves to the new fever heat of the public as to matters of highway construction. Give them time to act without confusions and without undue haste, then consider final results before criticism is made.

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(TABLE A)
INCORPORATED CITIES AND TOWNS TOTAL EXPENDITURES

City or Town	1915-1916	1917-1918	1918-1919
Bisbee	\$138,791.53	\$186,630.75	\$195,952.62
Casa Grande	3,796.05	3,535.79	5,541.83
Clifton	36,160.69	55,789.23	55,275.00
Douglas	121,492.21	230,700.15	288,080.00
Flagstaff	12,820.64	27,753.05	28,525.22
Florence	5,876.15	6,480.25	7,329.33
Glendale	48,003.31	89,237.87	89,293.33
Globe	103,143.38	114,460.00	103,274.33
Jerome	20,266.43	25,300.00	37,846.33
Mesa	23,139.40	101,981.87	138,263.00
Nogales	57,997.79	58,368.00	100,076.33
Phoenix	356,593.09	452,081.41	504,104.33
Pima	359.70	1,000.00	1,624.50
Prescott	73,789.04	104,806.15	114,159.33
Safford	6,798.36	9,104.29	10,327.33
Tempe	54,598.58	23,030.00	24,055.33
Thatcher	534.43	1,754.00	1,810.50
Tombstone	5,532.06	7,075.00	7,650.33
Tucson	341,182.41	338,633.28	387,388.50
Wickenburg	6,686.26	7,492.00	10,939.33
Winkelman	3,710.94	5,100.00	5,762.33
Willcox	1,394.87	4,089.00	4,543.33
Williams	8,260.39	9,906.00	9,247.33
Winslow	17,099.68	19,641.00	18,668.50
Yuma	32,681.54	47,805.00	47,315.00
Holbrook		3,790.00	3,065.50
Miami		47,380.00	72,463.43
Somerton			8,368.50
Totals	\$1,480,708.93	\$1,982,969.09	\$2,280,955.10

(TABLE B)

	1915-1916	1917-1918	1918-1919
Taxes levied	\$734,255.80	\$1,087,486.65	\$1,279,571.83
Other revenues	729,605.57	895,482.44	1,001,383.22
Total Receipts	\$1,463,861.37	\$1,982,969.09	\$2,280,955.10

Some Data as to Unexpended Accumulating Balances In Public Funds

In the last issue of this Magazine in connection with a suggestion that a revision of the revenue laws was an imperative necessity, it was pointed out in a general way that under the present system, many idle funds were permitted to accumulate, beyond the real needs of the purposes for which those funds were created. In this article attention will be called to specific cases which warranted that suggestion.

From the last printed report of the Superintendent of Public Instruction which covers the years 1916-1917, and 1917-1918 there is a compilation of figures given under the general head "Total receipts and expenditures of school moneys", which shows the balances on hand as of July first of the year 1917, and as of July first 1918, which is as follows:

Balances on Hand July 1st	1916-17	1917-18
(a) Unapportioned County School Funds	\$196,007.25	\$266,175.00
(b) School District Funds	250,608.25	286,772.60
(c) Building Funds	231,790.81	550,826.51
(d) Miscellaneous Funds	308,366.55	342,077.67
Total School Funds on Hand July 1st	986,772.86	1,445,851.86
(Deduct "Building Funds")	231,790.81	550,826.51
	\$754,982.05	\$895,025.35

The deduction made was not made in the report referred to, but is made as above, that a true balance appears to school fund balances which are the

Cost of Maintaining Cities and Incorporated Towns

From the reports of the State Tax Commission figures are taken which show the aggregate expenditures of the various cities and towns in Arizona for three different fiscal years. Table (A) herewith contains those figures.

The reports from which above figures were taken, also show the amounts of taxes, and the amounts of revenues from other sources to the several cities and towns in above lists for the same years. The totals for the respective years are given in Table (B) herewith.

Comparing the figures of taxes levied, that comparison discloses an increase of approximately twenty-five per cent from one year to another.

result of direct taxation, segregated from balances which include building funds which are the result of bond issues. With the deduction made, it appears that the balance on hand July first 1917, had increased from \$754,92.05—to a balance of \$895,025.35.

Total Balances Equal 44% of Entire Maintenance Cost of Schools for Year

From that same report it appears that the total cost of maintenance of the public schools for the year covered by the report was \$2,017,474.41 with that unexpended balance properly applied, the above balance of \$895,025.35, the school funds had balances sufficient to maintain the schools of the state for nearly one half—44-100 to be exact—of the new year beginning July first, 1918. Yet an examination of county school budgets proposed for, and which became the basis for tax levies for school purposes in those counties, show that no account was taken as to the balances above referred to in the county and district funds, but on the contrary, new levies were again made to produce funds sufficient to cover the entire cost of maintaining the schools for that new fiscal year.

Arguments In Favor of Large Balances Continued in School Funds Analyzed

It has been urged in support of the practice of ignoring those balances, first, that the district funds belong to each district; second, that the balances are necessary to provide actual funds to pay teachers' salaries to be paid, prior to the time tax money is actually in the treasury of the county produced from the rolls of each new tax year. A third reason is also advanced which has to do with the minimums of not less than thirty-five dollars per pupil, the salaries of not less than eight hundred and fifty per year for each teacher.

It may be admitted that cash in hand for the payment of teachers' salaries is necessary. With that admission made, however, it does not follow, that constantly increasing balances is a necessity. Nor does the admission include the necessity that idle funds to the amount equal to 44 per cent of the total cost of maintaining the schools, be provided to meet the necessity for school funds "in hand" pending tax-collecting upon the new rolls. Those rolls become collectible in September. The fiscal school year commences in September. Any balance which will in fact be sufficient to carry the schools for one or possibly two months of the new school year, will be a balance sufficient to satisfy the argument made justifying

actual balances. If more than balances to an amount so justified is indeed necessary, then the basis of the argument shifts to another premises. That premises involves the other phase of the question which was suggested in the former article. **Six months taxes collected in September, will not produce ready funds to meet expenditures covering a period of eight or nine months actual activities.** The correctness of the above statement which was made generally as to all funds and all expenditures, appears with special clearness when applied to school funds and expenditures therefrom. The school year begins in September, taxes become payable on the second Monday in October. This applies to the first of the semi-annual collection. The school activities cease in June, and the second semi-annual instalment of taxes is not delinquent until the second Monday in June. Thus under present revenue laws the schools of the state must run the full nine months upon balances on hand at the beginning of the fiscal year, plus six months collections of the taxes. Or, if the schools do not run with actual funds, they must run upon registered warrants, drawing interest until redemption can be made from taxes collected late in June of each year. The make-shift practice of levying more taxes than are needed to meet a condition which arises from present provisions of the revenue laws of the state, and which has resulted to idle balances which are increased year by year, as appears from table above, is a practice which would no longer be necessary if the law was so amended as to cover the defects which are readily apparent in connection with what is said above.

No Real Use to Warrant a Segregation of District Funds From Current Maintenance Funds

Then the result which seems to be warranted under present laws, that of making district property, all school funds which are once distributed to districts, regardless of the annual expenditures, or annual expenses, of each school district, is a result which has the effect of still further increasing the balances of idle funds from money originally raised to pay salaries of teachers, salaries of other employees, contingent expenses, and other maintenance items. When it is true that each annual tax levy covers an amount sufficient for all maintenance of the schools in each district. When teachers and other employees are hired under contract, and the amounts required to pay those salaries are known amounts. When those district balances arise only in instances where all expenses of the

preceding year have been paid, and are on the face of things surplus and unnecessary funds in the first instance. When those facts are true, there appears to be no good reason why the taxpayers should not be credited with those district balances, as against budgets proposed for a new fiscal year, rather than be called upon to pay taxes in full to the extent of the total of that new budget, with a result that new balances be again added to and become a part of an unexpended balance in district school funds remaining as balances from preceding years and years.

With respect to state school funds there will be unexpended balances therein for the present year. The present revenue laws are so construed that \$750,000.00 will be raised by taxation for the state school fund. This will be the only amount credited to and available for distribution to the counties from that fund. It is a fact that \$58,775.00 has been received from the United States from sales of timber from school lands in forest reserves. It is a fact that interest is accumulating upon loans made from sales of lands donated for school purposes, and upon contracts for sale of school lands. The present laws being ambiguous in the language used with respect to the latter funds, as to whether the amounts are appropriated in addition to the \$750,000.00, or whether these amounts should be deducted from that \$750,000.00 with a tax levy made for the balance only, those ambiguities and uncertainties are being and probably will be so construed that the \$750,000.00 has been levied in full, and the \$58,775.00 with the amount realized from interest above referred to, will remain in the treasury idle until the legislature clears up the present uncertainty, or until some court decision may be obtained to remove the doubt which now produces those idle funds.

Present Minimums Used in Distribution of School Funds Produce Actual Inequality As Between Districts

There are certain fixed expenses incident to the maintenance of each school in the state. After seven years of statehood with the actual experiences in maintenance of schools which has been derived during that period, the actual cost—per annum—for maintenance of any school, or class of schools, should be estimated with reasonable certainty. **The actual cost should be provided for without any question.** But with thirty-five dollars per pupil as a minimum, and \$850.00 as the minimum for a teacher's salary for a year, for schools with thirty-eight pupils in highest daily average attendance, some schools have been allotted the full thirty-five dollar allot-

ment, operated under one teacher for more than 38 pupils, with the result of an overplus in the funds of that district at the end of the year. Schools having less pupils, also requiring one teacher as a minimum, have been allotted funds more closely estimated, with the result that actual expenses have been barely provided for in the amounts allotted. One district may pile up balances while a poorer district necessarily creates deficits. The taxpayers make up the deficits, while the balances remain idle

to the credit of school districts. With these results shown by seven years actual experience, nothing short of a revision of the laws will alter present conditions.

Actual Expenditure of School Funds Should Be Under Rules of Good Business

But when thirty-nine per cent of the entire tax revenues of the state and counties go to the support of the common schools, there is nothing to prevent

the use of those funds under systems surrounded by good rules of good business. The same amount of money will go further, the tax burdens will be less, and the educational results will not be diminished if proper attention is given to the end of such revision of the present laws. As often repeated in the Magazine, the common schools of this state should be supported as they form the basis of future generations imbued with ideas of true Americanism as well as other educational advantages.

Supreme Court Decides That Owner of One Parcel of Land Returned Delinquent Under Assessment Joining it With Other Lands, Cannot Pay Portion of Tax to Release His Lands

It has been the practice in this state to group several lots owned by one person at the time of assessment, in one assessment, and extend a lump sum as to the total of taxes against all those lots. There is nothing wrong with so doing, but the question has often arisen as to how much tax can be offered by the purchaser of one or more lots from the group, after the assessment is completed and total tax extended against all, and by so doing discharge the purchased lot from the lien of taxes. Until recently there has been a diversity of opinion among county treasurers and county attorneys upon the above point. The matter has been passed upon in a recent decision of the Supreme Court. The essential portions of that decision are printed below. Readers are left to judge as to whether it finally settles the question, or settles it only with respect to taxes which become delinquent before a purchaser offers to pay any portion of the taxes levied in gross upon several lots.

"The assessment item in question had reached the stage of delinquency, its return as such, and was duly carried to the 'back tax book' before the appellee became the purchaser of said Lot 15. From all that appears in the record, the item on the 'back tax book' is identical with the same item on the assessment roll for the year 1915 as to the name of the owner, the description of the property, and the valuation placed on such item. In other words, the back taxes appearing due upon the delinquent real estate, said Lots 14 and 15, upon a valuation of \$600.00 for the taxes for 1915 were duly extended in the 'back tax book' made under Chapter 7, Title 49 R. S. A., Par. 4927 id.—at least we presume the county treasurer performed his duty under Par. 4927.

Consequently, we are interested only

in the questions involved in redeeming such delinquent real estate from the lien accompanying such property while on the said back tax book.

Any irregularities, omissions, or mere defects that may have adhered to the assessment or become attached to the item at any time prior to the transfer of the item to the delinquent list and its entry on the back tax list book, do not invalidate any such assessment tax roll and proceeding leading up to the entry. Par. 4933, id.

Paragraph 4845 id. declares the tax lien as follows: "Every tax levied under the provisions or authority of this act upon any real or personal property is hereby made a lien upon the property assessed, which lien shall attach on the first Monday in January in each year and shall not be satisfied or removed until such taxes, penalty, charges, and interest are all paid, or the property has absolutely vested in a purchaser under a sale for taxes. Such lien shall be prior and superior to all other liens and encumbrances upon the said property."

Par. 4915 id. declares as follows: "The taxes due and unpaid on any real estate which has heretofore been returned delinquent and which has not been forfeited to the state * * * shall be deemed and held to be 'back taxes', and the lien heretofore created in favor of the State of Arizona (Par. 4845 supra) is hereby retained on each such tract and lot of real estate to the amount of the taxes due thereon and also the interest and costs accruing under this act."

Hence the lien on this item of assessment, that is, the lien on Lots 14 and 15 of Block 3 assessed to Murphy and Irwin at a valuation of \$600.00 "shall not be satisfied or removed until such taxes, penalty, charges, and interest are all paid", or a sale for taxes had and title

under the sale has absolutely vested. The lien was not satisfied nor removed when the tax was returned delinquent and became known as "back taxes", but on the other hand, such lien was expressly continued "on each tract and lot of real estate to the amount of the taxes due thereon" and also the interest and cost accruing under the act for the collection of delinquent taxes.

The question here is, in what manner can the tax lien on the item of assessment be satisfied and removed from said Lot 15, and said lot be relieved from the tax lien for the taxes due on it and on said Lot 14, as described in the original assessment and thereafter carried to the "back tax book"?

The tax lien is, without any doubt, co-extensive with the real estate assessed to one owner. Each separate or separable portion of real estate may be sold in a proper proceeding for the taxes due upon the whole assessment of real estate and personal property combined. Par. 4847 R. S. A. 1913. No dispute can properly arise on that proposition. The dispute arises whenever the subsequent purchaser of a part of the real estate described in an assessment—the purchase being made after the taxes have become delinquent—seeks to pay a portion of the delinquent taxes, interest, penalty, charges, and costs proportionately chargeable on the land purchase the amount of which is determined from a valuation placed upon such purchased land by some authority other than the tax assessor at the time he valued the whole tract, lot, or parcel of land for the purpose of the assessment in question.

The two lots were listed, placed on the assessment roll and returned delinquent as one item; they were placed on the back tax book as one item; in fact, we presume that the board of supervisors would have corrected any defects, omissions and irregularities at a proper time and prior to the date upon which the

(Continued on Page Eight)

**Revenue From National Forests, Fiscal Year Ending June 30th 1919,
Showing Apportionment To Counties**

County	Reserve	No. Acres	Rate per A.	Amount	Total
Apache	Apache	410,891	.010545813	\$ 4,333.18	\$
	Sitgreaves	45,493	.007153613	325.44	
Cochise	Coronado	483,657	.010407483		4,658.62
Coconino	Coconino	1,344,773	.019127188	25,721.73	5,033.65
	Kaibab	1,058,939	.001782402	1,887.46	
	Sitgreaves	218,023	.007153613	1,559.65	
	Tusayan	1,435.083	.008581158	12,314.67	
Gila	Creek	321,596	.008274451	2,661.03	41,483.51
	Tonto	1,337,054	.006223577	8,321.26	
Graham	Creek	396,459	.008274451		10,982.29
Greenlee	Apache	771,272	.010545813		3,280.48
Maricopa	Crook	2,300	.008274451	19.63	8,133.69
	Prescott	173,110	.010757254	1,862.19	
	Tonto	496,411	.006223577	3,089.45	
Mohave	Dixie	17,680	.002152149	38.05	4,970.67
	Kaibab	13,400	.001782402	23.89	
Navajo	Sitgreaves	393,777	.007153613		61.94
Pima	Coronado	385,780	.010407483		2,816.93
Pinal	Coronado	24,554	.010407483	255.55	4,015.00
	Crook	149,751	.008274451	1,239.11	
	Tonto	58,900	.006223577	366.57	
Santa Cruz	Coronado	412,173	.010407483		1,861.23
Yavapai	Coconino	306,649	.019127188	5,865.33	4,289.68
	Prescott	1,260,054	.010757254	13,554.72	
	Tonto	101,072	.006223577	629.03	
	Tusayan	176,690	.008581158	1,516.20	
11,795,541					21,565.28

Total* \$113,152.97

For General School funds, 100% of revenues from school section lands in Forest Reserve 58,775.83

*Being twenty-five per cent of all receipts from National Forests.

\$171,928.80

The foregoing table shows the compilation which was made by the State Auditor under the requirements of Paragraph 4654 of Revised Statutes of 1913, and under which the Auditor is required to ascertain the acreage of forest reserve located in each county, and apportion the funds received from the United States among the several counties of the state according to that acreage. The first total of \$113,152.97 represents all money received by the state

from the United States on account of timber, sales from forest reserves still owned by the United States in Arizona. This fund when distributed to the counties, as it will be in the amounts shown by the table, becomes available for use by each county for common school and road purposes. The division as between those two purposes seems to lie within the discretion of the board of supervisors of the counties.

The other item of \$58,775.83, also

represents an income from the administration by the United States of school lands within the forest reserves, and the amount is, or should be, available "as income for its common school funds", this under the provisions of Section 24 of the Enabling Act under which Arizona was admitted to the union.

The words "and the amount is, or should be available as income for its common school funds" are used advisedly. Anticipating this revenue as one

of additional revenues to make up the \$875,000.00 which the last legislature appropriated for the state common school fund a tax levy to raise \$750,000.00 was made. By construction of laws in force, doubt has arisen as to whether the Enabling Act is in and of itself an appropriation of the amounts received annually from those school lands in forest reserves, or whether the state legislature must add further words of appropriation, or respecting that fund, which will show legislative intention to make those forest reserve funds a part of the \$875,000.00 appropriated as "state common school fund", or language which shows an intention to

make the one additional to the total of the other. The final solution of the above questions will control the ultimate use and disposition of the \$58,775.83.

The question above raised as to the particular funds referred to, is similar to the question which may be raised as to the disposition of many items of revenue from sources outside of taxation for state purposes. Do those revenues increase the amounts which are expressly mentioned in appropriation bills, or do they lessen the amounts to the extent of the revenues so received, that taxes be levied for the remainder. This Magazine has many times pointed out the uncertainty which surrounds that question. It can do no more than suggest.

The uncertainty can only be removed by use of powers of legislation, or powers of administration, over which it has control. It may be added, however, that the general public get the blunt end of the uncertainty shown and referred to above. That public either pays more taxes than it was intended it should pay or it fails to get the benefit of income to the state which was intended for the public. Just a few words inserted in law, and the public would know whether or not public dollars would become "nimble dollars" in state activities. As it is now, many thousands of those dollars are dormant, and serve neither the public, nor the private purposes of the citizens of the state.

Supreme court decides that owner of one parcel of land returned delinquent under assessment joining it with other lands, cannot pay portion of tax to release his lands.

(Continued from Page Six)

treasurer finally received the "back tax book" for the purpose of collecting the taxes set out in the same as required by Par. 4914 as amended by Chapter 9 Sec. 3, Law. 1915, page 102.

Par. 4912, as amended, Sec. 5 of Chap. 9, Laws of 1915, Second Special Session, reads as follows: "On the last day of December and the last day of June of each year, the Board of Supervisors shall examine and compare the delinquent list; and if any property be incorrectly described the said board shall correct such error by the best means in their power and cause the list so corrected to be certified to by the chairman of the board."

Chapter 4916 R. S. A. 1913, requires the county treasurer to make the back tax book for the year from the delinquent lists and uncollected taxes in the 'back tax book' or books provided for in"—Pars. 4908 and 4941—"setting forth the name of the owner, the year assessed and the description, the valuation and the amount of the taxes originally due, set forth in appropriate columns as was set forth in the original roll, together with appropriate columns for interest, fees and other charges as may be provided by law. * * *.

"The sum total of taxes originally due as shown in said 'back tax book' must agree with the amount of the sum total shown by the several delinquent lists as corrected by the board of supervisors and such amount or total sum shall be debited at the end or close of each 'back tax book' against the county treasurer."

The county treasurer, therefore, is

absolutely required to collect the back taxes as shown on the back tax book. He has no authority to change the assessment list and the back tax book made from lists and assessment roll. After a tax is delinquent no duty of authority required of or given to the county treasurer and tax collector will justify his changing the assessment. The tax due on the assessment which is delinquent is first examined by the board of supervisors and corrected if not already correct, and the tax is charge against the collector. If the property assessed is not correctly described, or if any error is made to appear, the board of supervisors may at the proper time correct the error, but the tax collector is given no such authority.

Hence the law has not cast upon the tax collector the authority to change the entries carrying the tax lien in any tax roll or back tax record. The extent of his duty is reached whenever he reports to the board of supervisors a case where in entries on his tax books may or justly should be changed. The board of supervisors has the exclusive authority to change the entries on the tax book. The treasurer and ex-officio tax collector is given no such power—in fact, the law seems to prohibit that officer from exercising any such power. All the taxes appearing on the back tax books are charged against him and he makes entries on that record at his peril.

The county treasurer is expressly prohibited by Par. 4904 R. S. A., 1913 from receiving "any taxes on real estate for any portion less than the least subdivision entered opposite the name of the person or description on the assessment roll. The least subdivision entered on the assessment roll and from thence carried to the back taxbook, is "Lots 15 and 14 in Block 3 etc. in Bella Vista Place. The meaning of Par. 9404 R.S. A. 1913, as quoted above, was construed in Territory vs. Copper Queen Consol. Min. Co., 13 Ariz. 198 reading page 213, as prohibiting the tax collector from receiving the tax upon less than sixty-five mining claims," that being the least subdivision appearing on the assessment roll. " * * * The undisputed testimony discloses that these claims were non-contiguous in instances which would have invalidated an original assessment except for the return"—that is, the tax list returned to the tax assessor by the taxpayer.

THE PASSING OF MR. F. A. WILDE

Whenever a citizen passes to the beyond, the community in which he has lived and worked suffers a loss, but when such a man as Mr. F. A. Wilde passes to his reward the whole state suffers a great loss.

Before coming to Arizona Mr. Wilde was for many years Treasurer and Manager of the Nordberg Manufacturing Company, of Milwaukee, Wisconsin, designers and builders of air compressors, hoists and equipment for large copper mines. In 1911 he came to Kingman and became one of the large taxpayers of this state.

Intensely interested in the development of the Oatman and Chloride districts Mr. Wilde bent all his energy and ability toward the extension and efficiency of the Desert Power Company, which now stands as an enduring monument to his faith and his genius. He was a man of sterling character, devoted to his family and always a true and sympathetic friend.

This magazine deplores the death of Mr. Wilde, who was a charter member of and at the time of his death, Vice President of the State Taxpayers' Association.

"Earth to earth and dust to dust;

Calmly now the words we say,

Leaving him to sleep in trust

Till the resurrection day.

Father, in Thy gracious keeping

Leave we now Thy servant sleeping."

1c. Paid
Phoenix, Ariz.
Permit No. 18

ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS' MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME SIX

PHOENIX, ARIZONA, DECEMBER, 1919

NUMBER TWELVE

Table Showing Irrigated Lands or Subject
Thereto as Values Thereof Have In-
creased for Taxation Purposes
Since Statehood

Year	Number of Acres	Average Value per Acre	Total Valuation	Percentage of Total State Valuation
1913	—	—	\$28,077,038.00	7.47
1914	378,956.81	\$ 77.29	29,289,571.90	7.19
1915	348,356.65	78.98	27,512,752.20	6.54
1916	364,227.32	74.49	27,129,944.80	5.58
1917	437,026.00	74.08	32,376,580.50	4.64
1918	424,600.46	101.32	43,022,573.50	5.16
1919	447,956.38	102.52	45,922,911.49	5.32

EDITORIAL COMMENT

Shall the Burden of Heavy Traffic Bear the Maintenance Cost of Highways?

In another article in this issue of the Magazine, attention has been called to some of the questions which are involved in the financial problems surrounding the demands for more and better highways, with the inseparable problem of first building the roads for travel and then keeping them in such shape that the public may have full returns upon their investments. Right in connection with that same question of keeping the roads in shape, our readers may not be aware of the fact that California and other states are quite seriously considering the proposition of making the heavier traffic contribute an extra portion of the amount necessary to that upkeep fund. Just the reasons which are being considered, with facts tending to support those reasons, appear in a paper prepared by the County Highway Engineer of Sacramento, California, and published in the California Taxpayers' Magazine. Space not permitting a full publication of the article, quotations are given as follows:—

"The Supervisors of the counties of California are not the only body considering the modern problem of heavy loads, narrow tires, and the preservation of pavements built for highway traffic when the motor vehicle was a novelty.

This question is being considered by every good roads organization in the United States. The highway commissions and engineers of the oldest and wealthiest States—such as New York, Massachusetts, Maryland, Pennsylvania, etc.—are pondering over this problem, aghast at the ruin of their most carefully built pavements, accelerated during war times by the moving of truck trains of munitions from inland points to the seaports, there to be loaded into ships and sent to France.

Heavy Trucks Destroy the Best Roads

Many trains of five-ton trucks passed through Pennsylvania, loaded with munitions and camp supplies. Usually thirty trucks composed a train, and some days as many as ten trains went by a given point. What they did to surface treated oil macadam on the Lincoln Highway through that state affords suf-

ficient demonstration that we in California are not the only ones who need a solution of the problem of regulation of motor traffic on improved highways.

From New York the same story comes. Roads built within the past ten years and maintained without difficulty in good condition until two years ago, are now getting beyond repair, and must be rebuilt. Average maintenance costs of \$1,200 per mile per year are now expected, and more money is needed.

From Massachusetts a despairing cry is heard. The 2000 odd miles state road system has been the pride of that commonwealth for years, but in a recent report the statement is made that the State Commission believes that not greater than a six-ton load, including weight of vehicle, should be permitted over the country roads and bridges; that a seven-ton load on a six-ton truck can do more damage to road improvements than is made or saved by the operation of the truck. More money for maintenance is asked for in this report, which states that the average cost per mile in 1916 was from \$620 to \$650, and at that some work was slighted.

In the progressive states farther west, such as Ohio and Michigan, they are trying to check, by regulatory legislation, the damage which is occurring.

Resistance of Concrete Roads Required to Meet Weights of Traffic

Much of the concrete pavement, it can safely be said, has an ultimate compressive strength not exceeding 2000 pounds per square inch, due to the lean concrete mixture used and the quality of the rock and sand. Some of the concrete, however, laid with a "2 1-2x5" mixture, will stand a compression test exceeding 3,000 pounds per square inch, due to especially good materials, mixing and curing.

The average five-ton truck will weigh not less than 12,000 pounds empty, when equipped with supplies and a hauling body. After a load of five tons is put on it the total weight of truck and load will be 22,000 pounds. Eighty-five per cent of this will be carried on the rear wheels, or 18,700 pounds.

Highways of whatever nature, con-

structed on adobe foundations, should have a preliminary preparation of the soil, or other precautions should be taken to prevent a future cracking and settlement. One method of foundation preparation which is quite often practicable is the placing of gravel or light soil of a well drained character (such as sandy loam) upon adobe to a depth of six to eight inches.

Some States Propose Extra License Fees For Trucks

Remedies have been suggested to correct the abuse of the publicly improved highways. There are those who propose to tax the truck heavily, to make it pay for at least a part of the damage it does. They are not unwilling to tax the truck out of existence.

The State of Maryland has a regular graduated scale of fees which on heavy trucks are, I think, the heaviest of any state. They start with pleasure vehicles at 60 cents per horsepower, one and three-ton trucks \$20 per ton per year, four-ton trucks \$100 per year, five-ton trucks \$150 per year, six-ton trucks \$300 per year and seven-ton trucks \$500 per year.

This law was adopted as an experiment, and it has not yet been in force a sufficient length of time to see whether it will hamper the growth of the trucking business, or whether it will do what it was intended it should do, that is, provide a large fund to be used in the construction and repairs of highways.

There are those who would put no restrictions on the truck, or any other heavy traffic, taking the view that the roads are for the use of the public, and anyone has a right to use them as he sees fit.

This view, if followed out, will lead ultimately to public bankruptcy, for to build the roads to stand any load would require several times as much money as is now spent on them."

The fact that the foregoing is presented to our readers, should not be taken as any indorsement of what is there stated. The purpose of the publication is, that our reading public may have before them ideas from other states which ideas may be reasoned out, digested

ed, and discussed, and used for what they are worth in meeting the same ultimate propositions in Arizona.

The Highway Law Is Silent as to Upkeep of Highways

The country at large is thoroughly aroused to the subject of highway construction. With the growth of the automobile industry and with the application of automobiles to industrial activities of all kinds. With millions of tons of freight "trucked" from point to point at the present time, where that same freight depended upon railway facilities for its carriage in the past, the importance of good highways for commercial purposes is becoming self-evident.

It has been stated in connection with automobiles that over seven million eight hundred thousand are in actual use at this time in the United States. If that statement is true, and there seems to be no reason to doubt it, then those figures lead to the fact that one automobile passes along our highways, to every fifteen persons out of the entire population of the United States who use those same highways and who, directly or indirectly, contribute to the construction and maintenance of highways.

If we indulge in still further comparison of averages, it may be that over fifty per cent of the entire population of the United States use an automobile every day in the year. Use it either as owner, passenger, or accept the results of that use at their places of business, or at their homes.

This Magazine is not attempting to advertise the automobile industry, it only calls attention to the situation which actually exists, that such situation may be borne in mind in connection with that other question of the amount of public funds which are involved, and which will be involved, in the actual construction of adequate highways to keep pace with the automobile industry and to enable it to play its full part in the growth and development of the country at large, and more particularly its full part in the growth and development of our own state of Arizona.

Arizona has an area of 113,810 square miles. It has 2,476 miles of railroads of all kinds within that area. One mile of railroad to approximately fifty square miles of territory to be supplied with transportation facilities in the state. Those have an assessed valuation of \$100,176,508.00 according to assessment rolls for 1919. Compared to this, the same year—1919—has developed state appropriations, county road taxes, special county bond issues, added to

United States Post Road aid funds, which contemplate nearly ten millions of dollars to be invested by the Arizona public in highways. Or, continuing the comparison, Arizona contemplates highway construction from the funds of one year, equal to one-tenth the value of all the railways in the state.

Good business will not permit the people of this state to overlook the underlying necessity which prompted the taxpayers of this state to sanction the above investment in highways. That necessity is, primarily, that the people of this state need good highways in their business.

If then the highway proposition is to be looked upon as a business necessity and thus a "business" proposition, let that idea be kept in mind and worked out and applied to the entire matter of highway building and maintenance of highways which are built.

Protect Principal of Bond Issues by Requiring That Roads Be Properly Maintained

If this state uses a principal sum of ten millions of dollars in one year, with other amounts of principal sums in other years, the people of this state are interested in having all that principal investment protected. To the extent which that principal sum is represented by money raised from bond issues, it is imperative that the highways be maintained in such manner, that the principal of the loan may not continue a burden upon the public long after the highways first constructed with the proceeds of those loans, have passed into history through lack of attention required to maintain same to the extent of continued use.

Arizona will certainly build highways. But the question of maintaining those highways when they are built is a question which cannot be overlooked as connected with the "good business" aspects of the matter. There are many examples of neglected roads already before the public mind, special instances need not be mentioned. The public is concerned with the reasons which permit that neglect to continue. The committees of the public go to public officials, those committees register their complaints, and strange as it may seem, the answer received is embodied in the words: "No funds available for repairing that particular piece of road." The particular piece of road may be a link in a system of highways covered by bond issue. The fact may develop, as that fact has developed in several instances, that the plan for a bond issue was made with that link of

road treated as permanently constructed and permanent in fact, and funds provided to construct each side of the link, but none for any purpose connected with the link itself. Then again the demands for new construction of highways have been so insistent that officials have strained every effort, and likewise applied every available dollar to new construction, thus leaving the matters of repairs and upkeep of present roads wholly without funds provided therefor. Highways will wear out. The depreciation will run from fifteen to twenty-five per cent per annum at all times. That proportion of depreciation will increase if the roads are entirely neglected for any period beyond the time when the first wear begins to appear and left to remain without attention.

So it is, that the question of highways involves not only the amount of funds necessary to construct them, but involves an annual appropriation to be used for no other purpose than protecting that constructing with timely repairs to the highways constructed. Other incidental questions are also involved. Among those questions is the kind and nature of the traffic upon the highways, as that traffic directly affects the wear and tear of the highways. From the lightest roadster for pleasure to the heaviest trucks and trailers, highways will be called upon to play their part; just how to regulate the burden of upkeep as between the actual use to which roads are to be put whether used for pleasure or pure business purposes, these are questions to be considered.

Whatever the answer to all this may be, the questions demand an answer. Legislation is necessary that some answer be made. Under present state of the law, the question of repairs to highways is left entirely in the discretion of the officials, and under all the circumstances pointed out in this article, the result is often no repairs are actually made. One portion of a highway is going to pieces, while new additions are made thereto. The old portion is left to care for itself as best it may.

Good business would seem to require that some portion of the public funds which are provided for highways, be set aside for the sole purpose of repairing and keeping in repair the roads which have been, and which are now being constructed. Anything short of this will finally result in an absolute waste of the principal sums out of the public funds which are devoted to highway construction.

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS' ASSOCIATION OF ARIZONA

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School Statistics for Navajo County, Year 1918-19

Those of our readers who are interested in school matters may be interested in the figures which are presented below, and which show the report of the school superintendent of Navajo county for the fiscal year ending June 30, 1919. Reports of this kind present to the public actual figures which are not otherwise published, and in that respect present details as to costs of maintaining schools, as to which the public is not otherwise informed. The figures, with explanatory headings speak for themselves, and furnish the basis for such comparative work as readers may desire to undertake in connection with figures of reports published last year, or with reports from other counties, which will appear later.

MISCELLANEOUS STATISTICS

Cost of Supervision

Salary of County Supt.\$ 1500.00
 Traveling Expense 191.49
 Office Supplies 74.88

\$ 1766.37

School Districts

Total number of school houses

owned by Districts 15
 Number of school houses rented by districts 10
 Seating Capacity of school houses in County 2200
 Number of new districts organized 2
 Number of school houses erected 1

SUPPLEMENTAL

Receipts

Total balances on Hand at beginning of school year\$ 11,307.38
 Amount received from apportionments 65,840.00
 Amount received from District Taxes for maintaining Schools 17,327.91
 Amount received from subscriptions, tuitions, and other sources 650.22
 Total Receipts for School Maintenance 95,060.51

Disbursements

Paid for teachers salary 55,906.80
 Paid for Fuel, Light & Water 2,731.28
 Paid for Janitor's Services .. 2,390.39
 Paid for Repairs 17,639.89

Dist. No.	Name of District	No. of Schools in District	GRADE		Total No. Enrolled	Average Daily Attendance	Balance on hand Beginning of School Year	Cash from Dist. Taxes for Main. School	Amount Recd. from Miscel. Sources	Total Receipts	Balance on hand Close of School Year	Cash Paid for Teachers' Salary
		Primary	Grammar									
1	Winslow	15	6	9	867	589.	\$3503.20	\$ 6121.22		\$34304.42	\$2808.41	\$18603.88
2	St. Joseph	2	1	1	65	47.45	744.80			2744.80	93.01	1600.00
3	Holbrook	7	3	4	230	155.46	2941.28	4877.97		14459.25	620.11	8528.50
4	Woodruff	2	1	1	29	21.32	787.16			2158.16	415.98	1440.00
5	Snowflake	7	2	4	209	171.57	3737.87			10857.87	1519.00	5950.00
6	Taylor	4	2	2	132	113.99	2116.21			6796.21	1841.46	3160.00
7	Showlow	1	0	1	30	16.	219.08			1319.08	492.53	720.00
8	Pinetop	1	0	1	22	13.	475.28			1378.41	347.97	760.00
9	Pinedale	2	1	1	44	33.47	21.76	3.55	\$ 3.13	1983.14	462.93	1220.00
10	Showlow	3	1	2	102	62.91	901.20		157.83	3621.20	442.65	2280.00
11	Walker	1	0	1	28	16.7	212.42			1112.42	277.01	640.00
12	Dry Lake	1	0	1	23	18.02	258.19			1398.19	446.66	680.00
13	Fort Apache	1	0	1	25	15.	394.96			1294.96	85.25	1080.00
14	Silver Creek	1	0	1	18	11.22	71.74			971.74	61.97	700.00
15	Shumway	1	0	1	23	20.	123.51			1163.51	Red 62.29	880.00
16	Lakeside	2	1	1	47	38.	120.39			1760.39	36.19	1400.00
17	Water Canyon						157.83	Consolidated with Dist. No. 9.				
18	Manila	1	0	1	19	9.1	51.09			951.09	122.54	640.00
19	Linden	1	0	1	27	16.	Red 26.75			1100.00	138.35	696.25
20	Whiteriver	1	0	1	31	18.75	Red 43.40			900.00	68.60	680.00
21	Day Wash	1	0	1	12	8.4	88.01			988.01	156.39	680.00
22	Joppa	1	0	1	16	10.58	83.78			983.78	124.53	640.00
23	Clay Springs (Woodrow)	1	0	1	29	22.8	47.87			1307.87	303.70	650.00
Totals		57	19	38	2028	1428.74	\$17078.48	\$11002.74	\$160.96	\$9255450	\$10802.95	\$53628.63
High Schools												
1	Winslow	1			106	85.	21.16	15709.67	2500.00	18230.83	94.71	10000.00
3	Holbrook	1			29	15.7		5875.94		5875.94	1873.96	2070.00
Totals						100.7	21.16	\$21585.61	2500.00	\$24106.77	\$1968.67	\$12070.00

Bonded Indebtedness School Districts Navajo Dounty

Dist. No.	Name	Amt. of bonds Outstanding	Date of Issue	Rate	When Due	Valuation of Property in District
1	Winslow	\$ 5,000	Oct. 1, 1910	6%	\$2000-1920	
		40,000	July 3, 1916	6%	3000-1925 1921-24- 25-28-30 31-36	\$2942430
2	St. Joseph	9,000	Apr. 15, 1915	6%	\$1000-1919 \$1000 every two years Last 1935.	\$1076784
3	Holbrook	3,000	June 1, 1909	6%	\$1000-1918- 21-24	\$2556366
		25,000	Sep. 1, 1915	5%	1920-25- 30-40	
		8,000	Feb. 5, 1917	6%	1920-25- 30-35	
	Take	25,000	May 18, 1919	6%	40 years (Optional)	\$417916
6	Showlow	5,500	May 6, 1918	6%	40 Years (Optional)	\$94968
16	Lakeside	5,000	Nov. 1, 1916	6%	1921-26- 31-36	\$110154
		\$125,500				\$7198618
High Schools						
1	Winslow	\$ 17,500	Nov. 1911	6%	Nov. 20 1931	\$2942430

The "Baca Float" Tax Decision

One by one the perplexing questions involved in the application of the assessment and tax laws of Arizona are being answered by the Supreme Court of Arizona. The various phrases of the law are being interpreted and construed, and the possibility of a misapplication or misapprehension of that meaning is lessened, every time a new decision is rendered.

The question of levying and collecting taxes upon a large portion of the lands in Santa Cruz county, known as "the Baca Float Claims," has been one which has heretofore seriously affected the finances of that county. Taxes which have been levied have not been paid, the county at large has carried the burden of those unpaid amounts, but now, after years of litigation among the various claimants of the lands themselves, pending which none of the claimants actually paid any taxes, the Supreme Court comes out with a clear cut decision, and says to all parties in interest, that the taxes must be paid by some one of the several unknown claimants thereto, or all will lose out to the superior lien of the unpaid taxes.

The importance of the decision lies not only in the law points directly involved, but in the historical review of the facts relating to the lands themselves which

are so stated as to be a court abstract of the old title to those lands, hence it is that the entire decision is given below:

"This action was commenced in the lower court to enforce the tax lien of the state for delinquent taxes for the years 1913, 1914, 1915, and 1916, upon a tract of land situated in Santa Cruz County, known as 'Baca Float No. 3.' The trial court delivered a memorandum opinion wherein it held that the lands in no event were taxable for the years 1913 and 1914, because a survey thereof had not been filed with the Commissioner of the General Land Office until a time after the making of the taxes for each of those years, in consequence of which the lands did not become segregated from the public domain so as to render them susceptible of taxation by the taxing authorities of the State of Arizona and the county of Santa Cruz. The trial Court, however, held that the lands were taxable for the years 1915 and 1916, notwithstanding the objections which were raised as to the alleged irregularity in making the tax for those years, and accordingly rendered judgment for the state as to the taxes for the years 1915 and 1916. There are cross appeals. The State appeals from that portion of the judgment which adjudged that the taxes were invalid for the years 1913 and 1914, and the defendants appeal from that portion of the judgment which adjudged that the taxes were valid for the

years 1915 and 1916. We shall consider first the appeal of the state.

"The historical facts of the grant—(Baca Float No. 3)—are interesting to follow. These facts are undisputed and we have gathered them from various sources.

"On January 16, 1821, the Provincial Deputation of the State of Durango, Mexico, granted to Luis Maria Cabeza de Baca, a large tract of land called 'Las Vegas Grandes' situated in and around the town of Las Vegas, New Mexico. By the treaty of Guadalupe Hidalgo, of 1848, the territory embracing this land was ceded by the Republic of Mexico to the United States of America. In 1854, Congress passed an act, wherein, among other things, it was enacted that all claimants to lands within the ceded territory, under Mexican titles, should present and file their claims to and with the Surveyor General of New Mexico and that he in turn, should report the same to Congress for final action. Pursuant to the act, the town of Las Vegas, New Mexico, presented a claim for 'Las Vegas Grant' and the heirs of Luis Maria Cabeza de Baca presented a claim for the 'Las Vegas Grandes.' The two opposing claims conflicted. The history of these grants is given in the cases of Shaw vs. Kellogg, 170 U. S. 312, Maese vs. Herman, 183 U. S. 572, Priest vs. Las Vegas, 232 U. S. 604, Lane vs. Watts, 234 U. S. 525 and Wise vs. Watts 239 Fed. 207. The matter was reported to Congress, and it was founded by the Senate Committee in charge of the matter that either claim, in the absence of the other, was valid, and it was recommended as a solution of the difficulty that the Baca heirs be given the right to select other lands of equal quantity, to be selected within the territory then comprising New Mexico, and accordingly the Act of June 21, 1860, was passed by Congress, Section 6, of the Act, providing as follows:

"Sec. 6. And be it further enacted That it shall be lawful for the heirs of Luis Maria Baca, who make claim to the said tract of land as is claimed by the town of Las Vegas, to select instead of the land claimed by them, an equal quantity of vacant lands, not mineral, in the territory of New Mexico, to be located by them in square bodies, not exceeding five in number. And it shall be the duty of the Surveyor General of New Mexico to make survey and location of the lands so selected by said heirs of Baca when thereunto required by them: **Provided, however,** that the right hereby granted to said heirs of Baca shall continue in force during three years from the passage of this Act, and no longer."

"The historical facts show that under and by virtue of the provisions of Section 6, of said Act of Congress, one John S. Watts, as an attorney for the heirs of Luis Maria Cabeza de Baca, on June 17, 1863, selected the land here involved as to taxation, as the third of the five tracts of land which were granted by the above quoted Section of the Act, the application therefore being in words and figures following:

"Santa Fe, New Mexico, June 15, 1863.

John A. Clark, Surveyor General, Santa Fe, New Mexico: I, John S. Watts, the attorney of the heirs of Don Luis Cabeza de Baca, have this day selected as one of the five locations confirmed to said heirs under the 6th section of the act of Congress approved June 21st, 1860, the following tract, to-wit—Commencing at a point one mile and a half from the base of the Salero Mountain in a direction running north forty-five degrees east of the highest point of said mountain, running thence from said beginning point west twelve miles, thirty-six chains, forty-four links,

thence south twelve miles thirty-six chains, and forty-four links, thence east twelve miles thirty-six chains, forty-four links, thence north twelve miles thirty-six chains, forty-four links to the place of beginning the same being situate in that portion of New Mexico now included by Act of Congress approved February 24, 1863, in the territory of Arizona. Said tract of land is entirely vacant, unclaimed by anyone, and is not mineral of my knowledge.

"JOHN S. WATTS,
"Attorney for the heirs of
Luis Maria Cabeza de Baca."
"The selection so made on behalf of the heirs of Baca was approved by the Surveyor General of New Mexico on June 17, 1863, and on April 9, 1864, the Commissioner of the General Land Office approved that selection and ordered a survey thereof and directed that the plat and field notes of such survey be returned to the General Land Office and filed therein. The land, however, was not surveyed until 1905, at which time it was surveyed by one Phillip Contzen under directions of the Surveyor General of Arizona. The plat and field notes of the Contzen survey, were not however, filed or approved by the Secretary of the Interior or the Commissioner of the General Land Office until such action was required to be done after the decision of the United States Supreme Court hereinafter mentioned. In the meanwhile, various proceedings had been had in the Land Department looking to the cancellation and diminution in area of the tract selected by the Baca heirs. Commenced not so many years after the establishment of the General Land Office, these proceedings grew in importance and intricacy until, aside from the title to the tract of land more than twice the area of the District of Columbia, vast mineral wealth and the rights of a multitude of settlers diversely claiming became involved. No less than six reported decisions were made by the department presenting the various aspects of the remarkable litigation. 15 L. D. 705, 12 L. D. 676, 13 L. D. 624, 29 L. D. 44, 30 L. D. 97 and 497. Finally, an action was brought by the grantees of the Baca heirs in the Supreme Court of the District of Columbia, to enjoin the Secretary of the Interior and the Commissioner of the General Land Office from acting upon certain attempted entries conflicting with the rights of the complainants, and requiring that the Croezen survey be filed and approved. Judgment was rendered in favor of the complainants by the Supreme Court of the District of Columbia, holding that the act of the Commissioner, April 9, 1864, approving the selection made by John S. Watts, as attorney for the Baca heirs, June 17, 1863, had the effect to pass the title to the land to the heirs of Baca, and ordering that the Contzen survey be filed and approved. The Government appealed from this judgment to the Court of Appeals of the District of Columbia, where the judgment below was affirmed. (41 App. D. C. 39). The Government again appealed, to the United States Supreme Court, and here, on June 2, 1914, the judgments below were affirmed. (Lane vs. Watts, 234 U.S. 525). Pursuant to the judgment of the Supreme Court of the United States, the field notes and plats of the Contzen survey were filed and approved, for the first time, December 14, 1914.

"It is not disputed but that the defendants in the present action are the successors in interest of the Baca heirs, and it is also true that the assessments in controversy for the years 1913 and 1914, were made before December 14, 1914, the date on which the survey of the lands was approved and filed with the Commissioner

of the General Land Office. The defendants contended in the court below, and they contend in this court, that the lands in question were in no event taxable for the years 1913 and 1914, because a survey thereof had not been filed with the Commissioner of the General Land Office until a time after the making of the taxes for those years, in consequence of which the lands did not become segregated from the public domain so as to render them susceptible of taxation by the State of Arizona and County of Santa Cruz. But is that the precise point involved in the matter of these assessments? By Section 4847, Civil Code (1913), it is provided as follows:

"The term 'real estate' whenever used in this act shall be taken to mean and include the ownership of, or claim to, or possession of, or right to possession to, any land or patented mine within the state, and the claim by possession of any person, firm, corporation, association or company, to any land or patented mine shall be listed under the head of real estate. ★ ★ ★ ★

"It is to be observed that this statute expressly provides for the taxation of 'claims to' land, as distinguished from the land itself. Under such a statute the tax is not necessarily laid upon the land, but upon the 'claim to' the land. That the Legislature intended that this species of property should be taxed there can be no doubt, and we are not disposed to defeat that intention by technical distinctions and elaborate refinements and concepts. The 'claim to' real property is often of great value and is such a right that as may be sold and conveyed, and it may be inherited. This fact has been recognized and enunciated in many decisions of the courts. The cases cited by counsel for the defendants, as we read them, do not involve the precise question of taxing the 'claim to' lands, but rather treat upon the question of taxing the land itself, and in the absence of such a statute as the one just quoted, such decisions must be accepted as controlling. But we have here the question of taxing only the 'claim to' land. The United States Supreme Court in Lane vs. Watts, supra, declared that the order of the Commissioner of the General Land Office made on April 9, 1864, approving the selection of the lands made by John S. Watts for the Baca heirs on June 17, 1863, passed title to the heirs but that a survey was necessary to segregate the land from the public domain. The survey was not accomplished until December 14, 1914. The defendants have succeeded to the interests of the Baca heirs. It may be difficult, technically to define the rights of the defendants prior to the survey, but it is certain that they possessed a right of some kind. Counsel for the defendants says in his brief that—'They merely had a right to a float which was to be fixed in some manner in the surrounding public domain.'

"The terminology of the right is not all-important. The right claimed by the defendants had been bought and sold by and between the defendants and their predecessors in interest, and they had often asserted the right by proceedings in the United States Land Office and by suits instituted in the courts. The rights must necessarily have been of value. Stripped of all confusing technicalities, definitions and concepts, and broadly speaking, we think the right may be reasonably regarded as a 'Claim to' the land, having the quality of taxable property and liable to be taxed under the taxing statutes of the state, which provide that such a claim ★ ★ ★ shall be listed under the head of real estate.' The defendants insist, however, that the right possessed by them could not be

attached to any particular land until a survey was actually accomplished identifying the land and segregating it from the public domain. But we see no insuperable objections, based upon the argument of identification. The selection by John S. Watts, acting for the Baca heirs, sufficiently identifies the land for the purpose of assessing the defendant's claim thereto. The case shows that the defendants claimed the land prior to the making of the survey, by virtue of deeds which identified the land by specific boundaries thereof given in the location of the grant made in 1863—(the Watt's location)—and confirmed by the Commissioner of the General Land Office in 1864. Wise vs. Watts, 239 Fed. 207. The case furthermore shows that these defendants, on the twenty-third day of June, 1914, and prior to the time that the survey was filed and approved, went into the Federal Court in an action to quiet title to the land as between themselves, and succeeded in obtaining a decree establishing their respective rights. (Wise vs. Watts, supra). The identification of the land was, of course, sufficient to authorize the decree. If the identification of the land was sufficient for that purpose, surely it is sufficient for the assessment of the defendant's 'claim to' the land. The cases of the Delinquent Tax-List vs. Territory, 4 Ariz. 186, People vs. Crockett, 33 Cal. 150, and Hale and Norcross Gold and Silver Mining Company vs. Storey County, et al, 1 Nev. 104, directly support the foregoing views and the cases of Earhart vs. Powers, 17 Ariz. 55 and Topeka Commercial Security Company vs. McPherson, 54 Okla. 489, 52 Pac. pp. 395-398, by analogy, lend support to the same views.

We think that the state had the power to tax the defendants' "Claim to" the land for the years 1913 and 1914, without laying any tax upon the property of the Government, in violation of the Enabling Act prohibiting the imposition of taxes upon Government property.

Reverting to the appeal taken by the defendants from the judgment allowing the taxes for the years 1915 and 1916, it is to be observed, and the record shows, that the official survey of the grant—(Baca Float No. 3)—had been approved and filed in the proper office prior to the levy of the taxes for those years, hence the question which arose in the appeal of the state from the judgment disallowing the taxes for the years 1913 and 1914, does not arise in the appeal of the defendants, now under discussion.

The defendants rely for a reversal of the judgment allowing the taxes for the years 1915 and 1916, on the following assignment of error:

"The court erred in rendering judgment for the state for the taxes for the years 1915 and 1916, in that the purported assessments reach first to unknown owners, secondly to Watts and Davis for the South half of the float, and thirdly to the Bouldins for the North one-half, and then to other persons, and that no valuation is attempted to the extended or assessed upon the respective tracts owned in severalty, but an assessment is attempted upon the whole tract, regardless of the separate and distinct ownership of the North and South half."

Paragraph 4860, Civil Code, 1913, in part, provides as follows:

"If any persons ★ ★ ★ shall be absent or unknown, the assessor shall fill out a list for such person, putting therein all taxable property which he has reason to believe is owned by, or in the possession or control of, said person, officer or agent liable to taxation. If the name of such absent owner is

known to the assessor, the property shall be assessed in his, her, their or its name; if unknown to the assessor, the property shall be assessed to 'unknown owners'."

In the memorandum opinion of the trial judge, we find a very clear and correct statement of the method of the assessment of the taxes for the years 1915 and 1916, as shown by an examination of the assessment roll appearing in the record, and we felt at liberty to adopt and utilize this statement using for illustration the assessment for the year 1915, which is substantially the same as that of 1916. The situation is this: Under the head of "Name of Present Owner" appears first the expression "Unknown Owners". Under head "Years for which taxes are due" appears in "1913". Under the head of "Name of owners at the time of the assessment" appears "Unknown Owners". In this respect the assessment of 1915 differs from that of 1916 in that in the latter the designation is "Unknown owners or claimants of Baca Float No. 3". Under the head of "Description" appears "Baca Float Location No. 3", the word "Location" being omitted in the 1916 assessment. Here follows, under the various heads, the different character of taxes and statement of the amounts of such taxes assessed, followed under appropriate headings by the total amount of taxes, amount of interest, clerk's fees and penalties, followed by the total amount of taxes, entries, costs and penalties. We think the assessment, fairly construed, amounts only to an assessment against unknown owners and is to be regarded as a sufficient compliance with the statute. Had the assessor stopped after assessing the entire tract to unknown owners, no question would have arisen as to the validity of the assessment, but some confusion has occurred because of subsequent entries appearing in the assessment roll, of the name of the various claimants to the tract of land, with an apparent attempt to describe the several portions of the tract claimed by these parties. The entries referred to stopped with the names of the claimants and the attempted but crude and imperfect description, no extension of the valuation of the several portions or interest, no carrying out of any amounts of taxes and no carrying out of any totals was made in connection with these last mentioned entries. The trial judge regarded these entries as surplusage and of no legal effect, leaving the assessment simply one to unknown owners and as such constituting a valid assessment. In this conclusion we agree with the trial judge. The title to the tract of land, as between adverse claimants was not definitely determined until February 13, 1917, the date of the decisions of the Circuit Court of Appeals in the case of *Wise vs. Watts*, supra. From this date of the selection of the land by *Watts*, acting as attorney for the *Baca* heirs, the title thereto had been the subject of constant litigation in the courts or before the Land Department. It could not be expected, in view of the fact that the title was in litigation that the assessing officer could determine who were the owners of the property. Where title to property is in litigation and the assessor has no means of determining what may be the ultimate result of the litigation, or the ultimate determination as to the ownership of the property, he may safely assess the property to unknown owners. *Himmelman vs. Steiner*, 38 Cal. 175; *French vs. Spalding*, 61 N. H. 396. In the case of *French vs. Spalding*, supra, the Supreme Court of New Hampshire said:

"It is often a nice question who the real owner of the tract of land is. Disputes are continually occurring. Much of the time of

courts is occupied in determining the ownership of disputed tracts. It is not intended that assessors should be required to decide upon ex parte and imperfect testimony which of two or more claimants is the actual owner of a piece of land upon which they are called to assess a tax. When there is a dispute as to the title, or the assessors have any reasonable doubt as to the name of the owner or the original proprietor, they may tax it in the name of 'unknown owners' in addition to 'such description as the land may be readily known by' ★ ★ ★ ★"

Some contention has been made that the defendants could not contest the validity of the taxes, without first paying the amount of taxes assessed, but a determination of the question is not essential to the disposition of the two appeals, and we therefore express no opinion in reference thereto.

That portion of the judgment of the trial court disallowing the taxes for the years 1911 and 1914 will be reversed, with directions to the trial court to reform its judgment in the respect and allow the taxes for those years otherwise the judgment is affirmed.

ARIZONA'S IRRIGATED LANDS

On the front page of this issue appears the figures which show the increase in value of the irrigated lands of this state for taxation purposes, given for the several years since statehood. The story told by these figures, is one of substantial increase from a valuation in 1913 of \$28,077,038.00 to \$45,922,911.49 in 1919. A portion of this increase is accounted for by an increased acreage from 378,956 acres to 477,956, but the real importance of the increased valuation is in the fact that the values of irrigated lands in Arizona are real, substantial values, and are values which will continue as such and hold their own with the increased general values of other properties in the state represented in other classes, and are values as to which it may be safely stated, there will be no substantial change in the future, except it be in the direction of increased value and importance toward aiding in the strides which our state is making toward industrial, commercial, and real progressive importance when compared with the older states.

There are no positively accurate statistics which show the productive values of the 447,956 acres, nor which show a sure basis for comparing the actual production from irrigated lands prior to statehood as compared with the present value of that production. There are figures which have been presented to the public, and not questioned, which give the amount—\$5,496,872.00—as the total value of the crop production in Arizona ten years ago, and also place \$45,000,000.00 as the value of that production for the past year. If those figures are to be relied upon then our agricultural products have increased over eight fold in ten years.

It must not be overlooked, however, that the advances which have been made are not due to land values alone. The element which has played its part in that

element which has played its part in the advancement. The farmers of Arizona have found it necessary to hustle from daylight to dark to make both ends meet. They have become real business men in their efforts to take the utmost advantage of fertile soils, sun and water and with ceaseless, untiring efforts, have taken advantage of the opportunities afforded by nature in Arizona, to set the figures of production forward in the ratio of eight to one.

Arizona with her 447,956 acres of irrigated lands can well challenge the world to show another similar acreage which can and does show anything like similar production with such quickly produced increases in that production.

Not alone as a taxpayers' proposition but as one which will ultimately affect the growth of this state, it is to be hoped and expected that within the next ten years, the acreage of irrigated lands may be more than doubled. That with that hope for increase, will come a corresponding increase in the number of contented families in Arizona, whose faith and confidence in the farming opportunities of our state will be based upon their individual holdings of that land as the basis upon which to plan for happiness and prosperity to each such family.

Upon such foundations. That foundation of making nature respond to human energies. The incidental result of happy homes supported by that feeling of security and independence which follows when hopes for success in life's problems are so permanently insured to the lucky owners of such homes, is such a result, and will be so permanent in effect, that not only will prosperity continue in Arizona, but the foundation so laid will continue firm for the stability of real American ideas of liberty, freedom and the pursuit of real happiness.

FEB 23 1920

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Phoenix, Ariz.
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ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS' MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME SEVEN

PHOENIX, ARIZONA, JANUARY, 1920

NUMBER ONE

Table Showing Total Assessed Valuations of Town and City Lots and Improvements on Same in Arizona Since Statehood

Year	Total Valuation	Percentage of Total State Valuation
1913	\$ 57,579,873.85.....	15.2
1914	63,950,566.65.....	15.6
1915	63,486,078.57.....	15.0
1916	67,712,804.62.....	13.8
1917	72,207,861.26.....	10.2
1918	77,050,732.55.....	9.19
1919	80,597,114.62.....	9.36

As compared with total valuations of same class of property there is an increase from \$77,050,732.55 in 1918 to \$80,597,114.62 in 1919. The percentage increase compared with all taxable property of state has increased from 9.19 to 9.36 during same period

EDITORIAL COMMENT

Present School Laws of Arizona Grant Authority to District School Boards to Engage Teachers and Pay Salaries Sufficient to Provide for Competency. No Limit in Present Law to the Contrary of Such Action

All over the United States the matter of salaries paid to teachers in our public schools has become a matter of discussion. The reports go out from many quarters that the salaries as now provided by law or fixed by school authorities are not sufficient to attract attention of persons who may or might be qualified to teach, and that the practical result is that our schools are being placed in the hands of persons who lack experience and real qualifications as successful teachers. Arizona is facing the same question. In Arizona many teachers are acting under permits to teach, due to the fact that examinations of teachers did not pass a sufficient number of applicants to fill the schools with the necessary number of teachers. Beyond all this, and with those permits existing, the complaint still remains that Arizona has not enough teachers for her public schools. One of the matters which is discussed in above connection is that if whether present provisions in our school laws prevent the payment of more than a minimum salary. If it is true that the laws do so prevent the payment of a salary to teachers, sufficient to insure qualified and competent teachers, the matter is a serious one, and prompt remedies should be applied. If the present law stands in the way of full efficiency in our schools to the end of furnishing the best educational opportunities which may be possible, due only to small salaries permitted to teachers, then that law should be amended without delay. The answer to the question as to any necessity for amending the present law to cover the above point as to salaries is to be found in the law itself.

The State Policy is for Uniformity among Schools Through State Funds

Before presenting the provisions of our state laws which were enacted in 1912-1913, covering the state common school fund a little consideration of the reasons which prompted the legislature to create such a fund may aid in construing the law. Prior to statehood

there had grown up a feeling that isolated rural schools could not be supported by independent school districts in a manner which would afford the pupils of those schools an opportunity for a common school education equaling that of the schools in towns and districts of greater wealth and population. The people of the state had come to realize that educational opportunities to the growing youth of the state should not be made to depend upon the financial wealth of the particular community where pupils lived. The people looked for a plan out of which a more uniform system of schools throughout the state—uniform as to educational opportunities to be open in every school for its pupils—and it is safe to say, the creation of a state common school fund, as required by the state constitution, to be divided as therein provided and as directed by legislative enactment, was a creation for the real purpose of carrying out the plan of uniformity. In its briefly stated details that plan is to collect from all the property taxable in the state, a state fund to be divided among the common schools of the state, regardless of their location, and thus relieve isolated districts from a burden which those districts could not carry, and bring about uniformity throughout the state, regardless of the ability or inability of any district to alone provide funds otherwise necessary to the end of that desired uniformity among schools. Consequently, when the purpose to be attained is first considered, legislation to effect that purpose should be so construed as to advance the purpose itself and not defeat that purpose.

Insufficient Salaries a Defect Sought to Be Cured Through State Funds

The defect in the old system included the fact that isolated districts did not then pay sufficient salaries to their teachers. Another defect was that some districts would not levy taxes enough to maintain schools for a sufficient period each year, nor enough to keep their schools supplied with books and the like.

So, with an evident purpose of correcting both features above referred to, the first state legislature did provide that five hundred thousand dollars should be levied in state taxes each year for a common school fund. This amount has been increased by subsequent legislatures, including that of 1919. The amount which is now provided to be levied, includes an amount of \$750,000.00 provided for in amendment to the school law, with still an additional amount of \$125,000.00 as provided for in the general appropriation law of 1919, making a total appropriation to be met by state taxation of \$875,000.00, to which is to be added other revenues which annually accrue to the state common school funds. After deducting the cost of textbooks, expenses of the office of Superintendent of Public Instruction, expense of the State Board of Education and expenses of administration by the state authorities, the balance of the whole state common school fund is pro-rated among the various counties of the state according to the numbers of pupils in each county of school age as shown by the school census. The amounts so distributed become the initial amount available to counties for the support of all schools therein. The final distribution of those funds is made under the provisions of paragraph 2818 of Revised Statutes of 1913, as amended in 1917, by Chapter 45 of Session Laws of 1917.

First School Law Compared with 1917 Amendment as to Limit upon Funds Allotted to Districts

Comparing the first enactment with the amendment and it will appear that the essential features, and controlling purposes of each remain unchanged. The only changes made by the amendment relate to the minimum number of teachers to be employed in each district, and a removal of limit as to the maximum amount—not to exceed one thousand dollars per year—to be paid teachers.

Paragraph 2818, as first enacted, con-

tains the provisions, that:

"Provided, that in no case shall the sum be less than thirty-five dollars per pupil representing the daily average attendance. Provided, further, that the county school superintendent shall add to the above sum a sufficient amount so that no district employing but one teacher will receive a less sum than eight hundred and fifty nor more than one thousand dollars."

From which it will be seen that a district could continue to employ but one teacher, and pay that teacher no more than one thousand dollars, and do both regardless of the number of pupils in a school. To make the matter more certain, and undoubtedly having in mind more certainty along the lines of the general state plan of uniformity as between all schools, the 1917 Legislature covered the same matter with language as follows:

"Provided, that in no case shall the sum be less than thirty-five dollars per pupil representing the daily average attendance. Provided, further, that the county school superintendent shall add to the above sum a sufficient amount so that no district employing but one teacher shall receive a less sum than eight hundred and fifty dollars; **the county school superintendent shall apportion not less than seventeen hundred dollars to each district employing two teachers, provided the daily average attendance for the preceding year is thirty-eight pupils or more.**"

The words which are in black face in above quotations show words in the first quotation which are omitted in the latter; and show as to the latter, words which have been added, but not appearing in the old law.

Close reading of these provisions seems to disclose the fact that the legislature at no time fixed the amount which a school district board could pay the teachers of any district. The only **subject limited by the legislature is the subject of amount to be allotted to each district.**

That allotment amount was never to be less than thirty-five dollars for each pupil, and never less than eight hundred and fifty dollars to any district having one teacher. Nor, under the old law, that allotment amount was not to exceed one thousand dollars to districts employing but one teacher. The **limitation is not one as to salaries to be paid, is simply a limitation upon and controlling the distribution of state and county funds to school districts.** The

new law removes the one thousand dollar limit from that allotment amount, and still leaves the final amount to be allotted to each district, such an amount **"to be determined by the county school superintendent by and with the consent of the board of supervisors."** Thus the present law is to the effect that the county school superintendent and board of supervisors shall not allot less than the limits as above provided in the 1917 law, but those officials may still allot more to any district if in their official judgment the conditions of that district justify an additional allotment.

Whatever the allotment finally made to any district, and the aggregate of all such allotments so made, are amounts to be provided for by county tax levy to make up with the state apportionment to the county, an amount sufficient to meet that finally allowed and allotted aggregate.

If any school district needs more money than so allotted to it. If it cannot hire and pay teachers a salary sufficient to obtain competent teachers, then the question arises as to the powers of district school boards to fix an adequate salary, and as to powers to so act that sufficient funds will be available to pay those salaries. Those matters are distinct from the subjects above discussed. They have been the subject of question and answer between the State Superintendent of Schools and the Attorney General, copies of correspondence between those two officers appears as follows:

December 27, 1919.

Hon. Wiley E. Jones,
Attorney General for Arizona,
Phoenix, Arizona.

My dear Mr. Jones—Paragraph 2818, Revised Statutes of Arizona, Civil Code 1913, as amended by Chapter 45, Session Laws, 1917, and Chapter 32, Session Laws of 1919, provides for a county fund for the maintenance of the common schools of the State. This fund is created by an annual uniform county tax levy to cover estimates made by the County School Superintendent as follows:

Not less than \$35 per pupil representing a stated average daily attendance; not less than \$850 for each school district employing but one teacher; not less than \$1,700 for each school district employing two teachers with a required minimum attendance; and a reserve fund composed of 10% of the aggregate amount of the three above cited estimates.

Will you kindly advise me whether or not a county board of supervisors in

levying for money for the above named fund can legally levy in excess of any of the above state minimums?

If a budget of any school district calls for an additional levy that cannot be met by the county levy within the limits of the above minimums, then must it be met by a levy by a board of supervisors on the property of the district? If so, is this the only way it can be met?

Very truly yours,

C. O. CASE
State Superintendent.

Department of the Attorney General,
State of Arizona, Phoenix.

December 31, 1919.

Mr. C. O. Case,
State Superintendent of Public Instruction, Phoenix, Arizona.

Dear Sir—Your inquiry in regard to the proper interpretation of paragraph 2818 of the Civil Code as amended by Chapter 45, Session Laws of 1917, has been received.

This chapter provides for a county fund for the maintenance of common schools. The Board of Trustees of each school district must on or before the first day of July of each year file with the County School Superintendent an itemized statement of the amount of money needed for the expenses of their district for the ensuing year.

The county school superintendent on or before the first day of August of each year must furnish the Board of Supervisors the amount of school funds needed for the entire county during the ensuing year. In making up this estimate the county superintendent takes into consideration the amounts asked for by the Board of Trustees. He must make his calculations as provided in the amended paragraph 2818 and must make provision so that no district employing but one teacher shall receive less than \$850.00.

In making his estimate the county superintendent must ascertain whether or not his estimate will produce the amount of money asked for by the Board of Trustees, of the school district, and if not he must make a separate estimate of the additional amount needed for such school district. The Board of Supervisors must levy a county school tax of a rate not less than a rate sufficient to raise the said \$850.00 for each school employing but one teacher less the amount received by the county from state and other sources for school purposes.

In addition to this levy the Board of Supervisors will levy a school tax on the property of any district in which

(Continued on Page Eight)

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS' ASSOCIATION OF ARIZONA

Subscription January, 1920 50 Cents

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Address all Communications to the Secretary,
31 West Washington street, Phoenix, Arizona

School Statistics for Coconino County

1918-1919

We present for the consideration of our readers figures taken from the annual report of the County School Superintendent of Coconino County for the fiscal year ending June 30, 1919. In publishing these reports the figures are given either exactly as they appear in reports filed or in the event or in cases where the items are more in detail as for instance, figures showing the amount of each of several distributions of funds made to districts during the year have been condensed so as to give the districts for the year, it being immaterial for any of the purposes for which these reports are published to show just when during the year a particular amount was received and the report as published to furnish general information as to totals for all essential purposes for the entire year. In reconciling different items with totals given slight inaccuracies have been discovered as to which it can not be said that such are the result of mistakes in transcribing to the original reports from original entries or computations. It not being our intention to attempt an audit of these matters no further comment as to these inaccuracies

are necessary. Taken all in all the people of Coconino County will have before them a complete report of their school business for the year and neighboring counties will know what Coconino County is doing in common school work during the year referred to in the report.

SUPPLEMENTAL

Receipts

Total balances on hand at beginning of School Year ..	\$ 8,904.63
Amount received from Apportionments	5,391.16
(Forest Fund & Special Tax)	
Amount received from District Taxes for maintaining Schools	70,092.43
Amount received from subscriptions, Tuitions and other sources	2,040.40
Total receipts for School Maintenance	\$86,428.62

DISBURSEMENTS

Paid for Teachers' Salaries....\$45,315.00

District No.	Name of District	No. of Schools in District	GRADE	Average Daily Attendance	Total Number Enrolled	Balance on Hand Beginning of School Year	Cash from Apportionments Made	Cash from Forest Funds & Special Tax	Amount Received from Miscellaneous Sources	Total Receipts	Balance on Hand close of School Year
1	Flagstaff	13	6 7	263.71	471	\$6,018.86	\$28,000.00	\$	\$	\$34,018.86	\$6,253.1
1	Nor. Train.	6	3 3	148.28	271						
2	Williams	11	5 6	239.00	346	Red 37.43	16,700.00	2,000.00	823.10	19,523.10	2,709.4
3	Pitman Valley 1	Ungraded		14.17	23	378.20	950.00	100.00		1,428.20	654.4
4	Grand Canyon 1			15.	29	308.43	1,200.00			1,508.43	358.0
5	Greenlaw	1		22.	78	Red 24.29	1,200.00	300.00	15.50	1,515.50	92.6
6	Fredonia	3	1 2	54.60	59	Red 14.94	3,500.00	1,191.16		4,691.16	116.0
7	Anita	1	1	8.58	27	215.53	1,200.00	50.00	1.80	1,367.33	336.5
8	Parks	1	1	14.	21	191.09	1,000.00	100.00		1,291.09	Red 247.3
9	Harrington L. 1			New District	Organized Apr. 7, 1919						
10	Maine	1	1	11.50	19	317.28	900.00	50.00	1,200.00	1,200.00	937.0
11	Sedona	1	1	14.30	31	64.68	1,200.00	300.00		1,267.28	333.3
12	Red Lake					Red 53.13	1,300.00	500.00		1,564.68	547.9
13	GarlandPrairie 1		1	7.90	15	377.27	1,000.00	100.00		1,800.00	726.9
14	Winona	1	1	9.20	22	184.18	1,100.00			1,477.27	330.2
15	Tuba City	1	1	15.90	18	331.26	1,000.00			1,284.18	370.8
16	Riordan	1	1	12.35	31	529.37	1,000.00			1,331.26	257.9
17	Camp One	1	1	14.	30		400.00	700.00		1,529.37	460.2
18	Anderson Pass			New District	Organized April 7, 1919.					1,100.00	215.2
19	Bellemon.			New District	Organized July 7, 1919.					Carried in Reserve	30.00
Totals	46	18 28		864.49	1491	\$8,786.36	\$61,650.00	\$5,391.16	\$2,040.40	\$77,897.71	\$14,452.7
										Less Overdraft 129.79	
2	High School....	3		21.10	17	118.17	\$8,542.43			77,767.92	
										\$8,660.60	\$2,672.56

Paid for Supplies	6,776.96
Paid for Fuel, Light and Water	2,898.85
Paid for Janitor's Services and Truant Officer.....	5,041.50
Paid for Repairs and Upkeep of Grounds	3,762.85
Paid for Furniture and Equipment	2,566.32
Paid for School Apparatus and Playgrounds	176.31
Paid for Libraries and Insurance	1,253.85
Paid for Rents and Office Expense	1,295.07
Expense for taking School Census in County and Elections	246.60

Total Expenditures for School Maintenance	\$69,333.31
Balance on Hand: Total Receipts minus Total Disbursements	\$17,095.31

BUILDING SCHOOL HOUSES

Total: Forest Funds for Building Purposes	\$2,500.00
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VALUATIONS

Valuation of Lots, School Houses and Furniture	\$42,100.00
Valuation of School Libraries	2,540.00
Valuation of School Apparatus	4,375.00
Total Valuation of School Property	\$49,015.00

GENERAL STATISTICS

Number of teachers employed in County
Male 4 Female 48. Total 52.
Average number of months school was maintained during year, Nine.
Number of volumes in School Libraries, 2,877.

Special Taxes levied in Districts

District	Amount	Rate	Purpose
Six	\$1,500	\$.55	Maintenance
High Schools			
Two	4,000	.10	Maintenance
Number of pupils promoted from eighth grade in County, 46.			

**MISCELLANEOUS STATISTICS
COST OF SUPERVISION**

Salary of County Superintendent	\$1,834.00
Salary of Deputy Superintendent	383.50
Traveling Expense	561.61
Postage and Expressage	65.75
Office Supplies	1,847.70
Total	\$4,692.56

SCHOOL DISTRICTS

Total number of school houses owned by Districts, 14.
Number of school houses rented by Districts, 2.
Number of new districts organized, 3.
Number of school houses erected, 1.

More as to Idle State Funds

When the United States through the enabling act granted one million acres of lands in Maricopa, Yavapai, Pima and Coconino counties for the purpose of liquidating the outstanding bonded indebtedness of those counties, the evident interest of congress in the matter was to provide a fund which would relieve those counties of further burden respecting those bonds.

Eight years have elapsed since statehood, and the taxpayers of the counties named are still called upon to pay into the state treasury an amount of taxes sufficient to pay the interest upon the very bonds intended to be taken care of out of the income from that million acre grant, or the interest upon funds realized from the sales thereof.

It appears from the books of the state auditor that an amount of over \$195,000.00 stands to the credit of that bond interest fund, with interest upon the bonds paid as it has matured. It also appears that taxes were again ordered levied and collected to cover still further

(Continued on Page Eight)

Cash Paid Supplies	Cash Paid Fuel, Light & Water	Cash Paid Repairs	Cash Paid Janitor Services & Truant Officer	Cash Paid Furniture	Cash Paid School Apparatus Play-ground	Cash Paid Libraries	Cash Paid for Rents, Office Expense	Cash Paid Census Marshall	Cash Paid Insurance	Total Expenditures
\$1,827.23	\$ 870.85	\$1,758.55	\$2,473.75	\$1,137.99	\$ 73.75	\$ 99.07	\$ 955.89	\$117.25	\$233.73	\$27,765.56
2,567.64	1,281.03	470.55	1,659.50	283.85		77.89	131.41	64.35	440.00	16,776.22
45.00	31.00	18.65	35.00	4.15				5.00	5.00	773.80
87.05	17.00	31.38	93.25	19.49		41.16	1.10	5.00		1,150.43
18.12	23.47	96.99	94.25	213.51			15.50	5.00	31.68	1,398.52
443.59	134.00	89.60	275.00	167.63		19.10	3.80		270.00	4,560.22
116.05	3.00	45.29	5.00	37.00	6.00	1.96	1.50	5.00		1,030.80
234.61	53.00	75.09	4.00	39.53	17.24			5.00		1,538.47
				263.00						263.00
18.69			70.00				.26	5.00		933.95
71.69		20.00	65.00					10.00		1,016.69
106.60	63.50	23.75	55.00	1.07				5.00		1,019.92
166.38	29.00	21.65	50.00	100.65	79.32			10.00		1,147.00
67.62	43.25	25.00	40.00	52.51				5.00		913.38
76.43	3.10	100.00	25.50	23.57		36.29	1.06			1,073.45
188.29	21.40		40.00	437		2.97	109.55			1,069.08
45.52			56.25	8.00			70.00	5.00		884.77
									Reserve Fund	30.00
6,080.51	\$2,573.60	\$2,776.50	\$5,041.50	\$2,386.32	\$176.31	\$278.44	\$1,295.07	\$246.60	\$975.41	\$63,345.26
\$696.45	\$325.25	\$986.35		\$180.00						\$5,988.05

The Growing Menace of Federal Aid

It is sometimes well that the public has its attention called to the way in which the wheels of government revolve, when that way of "revolving" directly affects the public itself. The heading of this article, is the title of an article which appears in a recent edition of California Taxpayer's Journal, and is an article which points out the writer's view of matters connected with federal aid, and how the locality, finally interested is directly and indirectly connected with the source of that aid. Attention is called to the fact that funds which finally come into the United States treasury and from it, re-distributed to states under the head of federal aid to states, is originally drawn from the people in the states. The article points out a suggestion which may well be considered by states like Arizona, which is, the question of whether or not the benefits finally received to each state from so-called "federal aid" is more or less than the benefits which could have been provided by the states themselves, with similar amounts used directly by the states for the same federal aid projects, such projects as are benefitted in states and only finally benefitted after the administration costs of collecting the amounts, disbursing same, and federal supervision cost, incident to that ultimate benefit. The article gives the writer's view to be to the effect that the amount which is first collected from the states does not grow in amount, when finally distributed. The article altogether deals with one of the matters at all times suggested by this Magazine, that of economy in the administration of public money to the end of the greatest possible result in benefits to the people as the ultimate result of every dollar furnished by that public for public purposes.

The article follows:

The Growing Menace of "Federal Aid" (California Taxpayers' Journal)

The rapidly increasing extent of "Federal Aid" affords an enduring foundation for an increasingly autocratic and irresponsible bureaucracy and strikes an irresistible blow at effective democracy.

Instead of the "corn and circus" with which the citizens of ancient Rome were corrupted and their liberties destroyed, we have, with much the same effect, the "fifty-fifty" division with the federal government for "beneficial" improve-

ments.

This extension of "federal aid" is a serious menace for several reasons. Perhaps the least objectionable is that it breaks down the moral stamina and initiative of the people by bribing them to do what they would not otherwise choose to do, with the deceptive bait of alleged aid from the federal government.

Such aid, of course, involves federal supervision and for this very reason appeals to the unthinking and politically lazy. Naturally federal bureaus, whose power and prestige is increased, look with favor upon this extension of their authority. Unavoidably such increased activity involves increased expense, and causes congress (not unwillingly) to extend its taxing power into fields heretofore occupied exclusively by the state, and just as unavoidably the taxable sphere of the state is decreased. This causes increased taxation within a constantly decreasing field and thereby automatically limits the activity of the state in every direction. Its inevitable ultimate effect, unless restricted, will be the absorption by the government at Washington of all activities now lodged in the state. I do not think it is going too far to say that this would mean permanent destruction of effective democracy.

Every dollar the federal government contributes, of course, must be obtained by taxation from the people. Every dollar that the federal government collects from the people of the state and pays back to the state for roads, irrigation, vocational education or the peculiar fad that may happen at the time to be in vogue, costs for its collection and return, much more than it would cost the state to collect from the same people and disburse for the same purpose, the same dollar.

Portentous as is the financial side of the situation and wasteful as it is, this is not the phase that is most serious. The really serious side is its paralyzing effect on democracy, or upon that civil liberty which has been defined as the effective participation of the governed in the affairs of the government, in the absence of which free government can not survive.

The geographical extent of the United States and a population of more than one hundred million people preclude an effective and popular expression of

opinion on federal policy, except in the most general way and upon the most simple and fundamental questions. After a safe minimum is reached, effective democracy must decrease just in proportion as the population and size of the governmental unit increases. Consciously or unconsciously the founders of our country recognized this in making the state the unit of government and attempting to limit the activity of the national government to such powers as would enable the various units to function nationally.

Each individual, for example, is conscious of some personal influence in the affairs of his county. His influence in state affairs is less and in national affairs he feels it is negligible. The wishes of even an entire state may cut little figure in national politics, so that except in a most general way and upon questions of universal interest, where public sentiment may be crystallized, no one imagines that his opinion upon national questions, so far as affecting a national policy is concerned, is of any moment.

When you exceed one hundred million people in a governmental unit, the autocracy of its bureaucracy is infinitely less responsive than even that of a hereditary monarchy.

The autocrat is always under the necessity, to some extent, of feeling the pulse of public opinion; bureaucracy protected by complicated political machinery, that is unavoidable, is under no such necessity. In an autocracy there is the possibility of effective human sympathy; in a bureaucracy we are the victims of a remorseless machine.

The difficulty is that although the legislators appreciate the menace they have not the courage, in the face of sentimental and ignorant propaganda, united with aggressive bureaucratic ambition on the one hand and public indifference on the other, to turn down apparently tempting federal offers. The result is that for lack of an intelligent public opinion to support them they fall victims to the bait of a "fifty-fifty" division, which really means, in addition to the fifty per cent which the federal government collects from the people to give back to them, an amount almost equal thereto retained by the federal government for the privilege of collecting and returning the money.

That federal supervision which, as

ust stated, always accompanies federal id, is more honest or efficient is a popular fiction. If it were so (and to the extent it is so) democracy would be a confessed failure. Its assumed efficiency arises from the very fact of its absolute separation from the people who, if democracy means anything, are the source of its power. That is to say, it is effective just exactly because it is not

democratic. It appeals to the politically lazy and to those lacking a civic conscience just because it relieves them of responsibility.

We are rapidly reaching the place where the people must determine whether or not they are to become the slaves of a governmental machine or whether they are to resume an intelligent con-

trol of public affairs. This really is the crux of the whole matter. Shall people rule or shall governmental machinery rule? Just exactly as in the beginning of parliamentary government so now the control of the purse means the control of the whole governmental policy and the question of taxation lies at the root of the whole question of civil liberty.

A Semi-Annual Report From Board of Directors of State Institutions

Several institutions of the state have at all times been under control, either of the board of control, the commissions of state institutions, or finally under the control of the directors of state institutions. The control of those institutions under the latter board came into effect at the same time with the new state budget law, and the much discussed Senate Bill 90.

The purposes of the budget law is to limit expenditures of certain sums for the various items of support incident to the maintenance of state institutions, as well as to so control those appropriations made in connection with that plan, as to keep actual state expenditures within the limits of plans and appropriations. The purpose of Senate Bill 90, was and is, to emphasize the budget law, and prohibit the creation of deficits either by way of over contracting, or otherwise. All together the present laws are to the end of supporting institutions within the appropriations made available for those institutions, and preventing acts which will finally result in debts of the state for which no appropriations have been made. Some idea of the working of these laws will appear in connection with a report of the Directors of State Institutions made to the Governor, and covering the first six months period of the fiscal year which commenced July first 1919, and will end June 30, 1920. Our readers are given the figures as they appear, and as they are explained in that report, all as follows:

Arizona State Hospital for the Insane

Maintenance fund:

Operating expenses for the fiscal year, July 1, 1918, to June 30, 1919, amounted to\$172,039.71

Operating expenses for the first half of this fiscal year, July 1, 1919, to Decem-

ber 31, 1919, amounted to 68,717.90

The Commission of State Institutions
(Board of Directors of State Institutions since July 1, 1919.)

Maintenance fund:

Operating expenses for the fiscal year, July 1, 1918, to June 30, 1919, amounted to 71,100.44

Operating expenses for the first half of this fiscal year July 1, 1919, to December 31, 1919, amounted to..... 11,328.22

Free Employment Office

Maintenance fund:

Operating expenses for the fiscal year, July 1, 1918, to June 30, 1919, amounted to 2,351.32

Operating expenses for the first half of this fiscal year, July 1, 1919, to December 31, 1919, amounted to 1,123.00

Arizona Pioneer Home

Maintenance fund:

Operating expenses for the fiscal year, July 1, 1918, to June 30, 1919, amounted to 36,884.28

Operating expenses for the first half of this fiscal year, July 1, 1919, to December 31, 1919, amounted to 12,367.03

Arizona State Prison

Maintenance fund:

Operating expenses for the fiscal year, July 1, 1918, to June 30, 1919, amounted to 161,323.13

Operating expenses for the first half of this fiscal year, July 1, 1919, to December 31, 1919, amounted to 67,323.13

The State Industrial School

Maintenance fund:

Operating expenses for the fiscal year, July 1, 1918, to June 30, 1919, amounted to 85,410.40

Operating expenses for the first half of this fiscal year, July 1, 1919, to December 31, 1919, amounted to 21,779.74

The total expenditures for the fiscal year, July 1, 1918, to June 30, 1919, amounted to 529,590.76

The total expenditures for the first half of this fiscal year, July 1, 1919, to December 31, 1919, amounted to 182,639.02

That our readers may have before them all the figures which will be involved in still other comparisons towards arriving at a conclusion of estimating as near as may be, just how the above mentioned laws are working, and how they have worked with respect to amounts appropriated by the legislature for the whole year 1919-1920, and adding to the figures which appear in the report, other figures which appear in that appropriation bill, the following:

Appropriation Bill for 1919-1920 for:

Arizona State Hospital for Insane—Maintenance\$140,900.00

Commission State Institutions, (Now Directors of State Institutions,) Maintenance 25,000.00

Free Employment Office, Maintenance 2,500.00

Arizona Pioneer's Home, Maintenance 28,195.00

Arizona State Prison, Maintenance 145,000.00

State Industrial School, Maintenance 49,000.00

Total Appropriations for

Entire Year, Maintenance\$390,595.00

When the total expenditures of the previous year—fiscal year 1918-1919—of \$529,590.76, are brought forward from the report, and placed with the total appropriations for the new year, 1919-1920, and it is found that the Directors of State Institutions have expended only \$182,639.02 for the first half of that new year, there is hope and it may be estimated that the total expenditures for the whole year will be not to exceed \$365,278.04. Or if the Directors of State Institutions do in fact finish the year in the same manner their figures show for the first half of the year, the result will be that those same institutions will be supported at a cost of \$25,000 less than the appropriations, and it will also appear at the end of the year that \$365,278.04 has taken the place of \$529,590.00 of cost for prior fiscal year, and that a total of over \$164,000.00 will be saved to the taxpayers of the state due to lessened cost of maintenance of the institutions named.

Let the good work go on.

Teachers' Salaries

(Continued from Page Three)

the estimate is in excess of \$850.00 and said additional tax shall be paid into the county treasury to the credit of the particular district in which it is levied. In other words the Board of Supervisors may not levy a tax upon the entire county for any excess which may be asked for by any particular district.

Yours very truly,
WILEY E. JONES,
Attorney General.

School District Boards Can Fix Amount of Salaries Without Amending Present Law

If anything is added to the foregoing correspondence which bears upon the real question now before the public, that is, "will present laws have to be amended before our school officers can provide for and pay proper salaries to their school teachers," it will be to add the answer that such amendment is not necessary.

If there is any uncertainty in the whole matter, that uncertainty may be as to just how the funds to be raised to pay teachers is so raised, whether by special district levy, or by general county levy for school purposes. As to this question of possible uncertainty, the fact that the last legislature did remove the one thousand dollar limit from the

amount to be allotted districts from state and county school funds, the fact that it did permit some discretion to remain in the county superintendent and board of supervisors, to be exercised as conditions justify, all taken with the underlying reason which called a state school fund into being, that reason of intended uniformity to be accomplished through such fund, all these facts point to the conclusion that the Superintendents of Schools with the consent of the boards of supervisors, may adopt a "budget" for schools which includes such amounts as they deem advisable and necessary to proper support of each and every school in their counties; that the amounts so adopted are to be included in the regular county tax levies for schools; that it is only where the final allotment to each district does not come up to the requests made by district boards, that any special district tax levy is to be made to raise the difference between requested amounts and allotted amounts.

The final answer to the whole matter is that district school boards may hire teachers and pay such salaries as may be required and may do so under present law. No amendment is presently necessary to give those boards the power which they have had at all times to do as above. Our present laws contain ample provisions covering every matter as to how funds are to be raised to pay those agreed salaries. No amendment is necessary for that purpose.

The schools of Arizona need not suffer for reason of any lack of teachers due to small salaries to be paid, or which may properly be paid under the state law as it now stands.

Idle State Funds

(Continued from Page Five)

er interest payments upon those same bonds.

Some time over a year ago the matter of further taxes, or no further taxes until the above balance was exhausted, was made the subject of an article in this Magazine. Further than that, representatives of the Board of supervisors of the interested counties met at the auditor's office, for the purpose of taking such action as might clear away any uncertainties connected with the manner in which the above balance might be used, and further taxation omitted until such time as actually needed—due to lack of rev-

enues from the land fund—to care of interest upon those county bonds. But so far as actual results are concerned, there have been no results which are effective to relieve the taxpayers.

There is pending a suit between Yavapai and Coconino counties, the main purpose of which is to ascertain how many of the bonds are proper debts against each county. Extra attorneys have been engaged by the counties for the purpose of that suit. A great deal of time, with many trips to the state capitol, has been consumed, in attempting to go back into the records of the territorial loan commission, and from those records ascertain some facts which may tend to show that the results of the action of the commission, when it finally refunded certain amounts of bonds as being the bonds outstanding against each of the counties, were erroneous, and to support claims which will at this time warrant a revision of those figures by the court.

All this may be interesting as a matter of historical research. But it may be ventured as an opinion, that the courts will not review or revise the completed work of that commission at this time. The very confusion which existed at the time Congress provided the Commission and empowered it to act, involved the same uncertainties which are now sought to be reviewed, and undoubted: Congress intended that the final action of the territorial loan commission should be final action, determinative of all questions involved. But be that as it may, the taxpayers of the several counties to be benefitted by the million acre land grant applied to the interest on principal of all the bonds involved, have a more vital interest in the question why any taxes at all are still levied to pay any of the accruing interest upon those bonds, when funds are already in the state treasury amply sufficient for the purpose for several years yet to come than those taxpayers are interested in the controversy between two counties as to the matter of dollars of a principal bonded amount, when at the end of the whole matter, the land fund itself will be sufficient to pay the principal sum in its entirety.

If any issue is to be presented for judicial determination, that issue should be one directly involving the question of use of present funds, and use of future additions to those funds, derived from the proceeds of the land grant in carrying out the purposes of the million acre land grant. That purpose being to provide for the payment of all the interest, and all the principal upon the entire amount of county bonds involved

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ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS' MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME SEVEN

PHOENIX, ARIZONA, FEBRUARY, 1920

NUMBER TWO

Table Showing Total Number of Cattle in Arizona, Assessed Valuation and Per- centage of Total State Valuation Since Statehood

Year	Number	Total Valuation	Percentage of Total State Valuation
1913	757,983	\$16,846,609.00	4.48
1914	740,803	18,851,180.50	4.63
1915	797,607	21,219,022.50	5.04
1916	797,283	21,434,619.00	4.41
1917	933,457	29,056,509.00	4.16
1918	1,042,351	33,416,682.00	4.01
1919	996,934	31,839,252.00	3.69

The figures given above show not only a decrease in the proportion which the cattle industry of the State bears to other properties, but shows a reduction of 45,417 in the number of cattle in the State; between the last two years

EDITORIAL COMMENT

COUNTY BONDS TO FUND FLOATING COUNTY DEBTS

The recent decision of the state Supreme Court which is printed in full below, throws a final construction upon existing statutes which is at variance with what had been the prevailing popular opinion in the matter decided.

The gist of the decision is that counties through their boards of supervisors may create debts for current expenses within the limit of not to exceed four per cent of the assessed valuation of the taxable property of the county. That having created such debts, the same boards of supervisors may issue county bonds to fund the debt. These bonds of course draw interest. This interest will be paid without regard to the ten per cent limit upon taxes for county general purposes. The principal of the bonds will also be paid, without regard to that same limit. Thus the annual estimate law, and which has always been understood to fix the limit of expenditure, seems to be without that effect. The board may spend as it sees fit. May bond to pay, when it cannot tax to pay. The effect of this decision is far-reaching, and while it is the final law of the state under present conditions and provisions of legislative enactments, its effect as law will have to be counteracted by amendments which will more plainly limit the debt making powers of boards. Will have to be, unless the people are content to leave it entirely within the discretion of boards of supervisors, the amount to be expended, regardless of tax limits to meet those expenditures.

The Court says:

"This was a case brought by the plaintiff, who was a resident and taxpayer of Yuma County, against the defendants, who constitute the Board of Supervisors of the county, to restrain said defendants from issuing the bonds of the county for the purpose of funding the outstanding or floating indebtedness of the county.

The case was submitted to the lower court for decision upon an agreed statement of facts, from which it appears, so far as the same is essential to a proper determination of the case in this court, that the defendants, as members of the Board of Supervisors of the county, in accordance with the terms of a previous resolution adopted by the Board, intend to and are about to issue and sell the bonds of the county, in the sum of \$100,-

000.00, payable twenty years after the date of issue, with interest at the rate of five and a half per centum per annum to D. E. Dunn & Company, for par value, with accrued interest, and \$1,500.00 premium, for the purpose of funding the outstanding and floating indebtedness of the county, without first submitting the question of the issuance of said bonds to the qualified voters who are property taxpayers in the county; that the total indebtedness of the county, including that to be evidenced by said bonds, does not exceed four per centum of the valuation of the taxable property in the county, as ascertained by the last assessment for state and county purposes.

The court determined the case in favor of the county, and refused to issue an injunction restraining the defendants from issuing and selling the bonds, and thereupon this appeal was taken from such judgment.

Two questions are presented by the record. First: can the county whose total indebtedness, including the bonds proposed to be issued, which is less than four per centum of the valuation of the taxable property in the county, ascertained by the last assessment, issue bonds in the county for the purpose of funding its outstanding or floating indebtedness? Second: Can the Board of Supervisors of the county issue said bonds, without first submitting the question to the qualified voters who are property taxpayers, in the county?

The first question seems easy of solution. Beyond question the general rule is that a county may not issue bonds unless the power is specifically conferred by law or unless the power is necessarily implied from the law relating to the powers of counties.—28 Cyc. 1575; Board of Supervisors vs. Hawkins, 16 Ariz. 16. We must, therefore, necessarily look to the statute to ascertain if the county of Yuma possesses the power to issue the bonds in question, Paragraph 5285, Title 52, Civil Code (1913), provides as follows:

"Nothing in this chapter contained shall be construed to prevent any county, school district, city, town or other municipal corporation from creating an indebtedness not exceeding four per centum of the value of the taxable property in such county, school district, city,

town or other municipal corporation provided, that if such county, school district, city, town or other municipal corporation shall desire to fund such indebtedness by the issuance of bonds therefor, said bonds shall be issued in all respects in conformity with the provisions of this chapter, and, provide further, that it will not be necessary to hold the election required to be held herein; * * *

By the express terms of this provision each and every organized county in the state may create an indebtedness on account of the general current or running expenses of the county not exceeding four per centum of the valuation of the taxable property in the county, and may issue bonds to fund such indebtedness. Such seems to be the clear purpose and intent of the legislative enactment. We construe the expression "such indebtedness" as referring to indebtedness authorized to be created for general county purposes, and which, in fact, have been incurred in the past. The statute evidently recognizes that it is good business policy in the administration of county finances, to fund the outstanding or floating indebtedness of counties, which is generally evidenced by warrants, by the issuance of bonds or other obligations in the place of and in exchange for such indebtedness, and to do this is common practice in the fiscal management of counties. It is a matter of common knowledge that many of the counties in this state are paying an exorbitant rate of interest upon their outstanding or floating indebtedness, and one of the objects of the statute was to provide for funding such indebtedness at a low rate of interest and obtaining more favorable provisions for partial payment of the principal. Bonds issued to take the place of such indebtedness will in no manner increase the obligations or indebtedness of the county. The transaction will simply operate as an exchange of one evidence of indebtedness for another without increasing the old debt or creating a new one. 1 Abbott on municipal Corporations, Sec. 190; Veatch v. City of Moscow, 18 Ida. 313; 109 Pac. 722; Opinion of the Justices, 81 Mass. 602; 18 Atl. 291; Hotchkiss vs. Mario, 12 Mont. 218; 29 Pac. 821; City of L

(Continued on page 4)

A Clear Statement of the Financial Reasons for High Tax Rate for Year 1919

There are many people who look at their tax receipts this year and compare the tax levy rates thereon with what they remember of the tax levy rates of previous years and immediately conclude that the state has started in with an era of increased and unnecessary extravagance. They may fall into the error of failing to investigate the reasons for the differences between two rates, one smaller than the other, and condemn unheard the administrative officers of the state for that difference. When, however, the real causes for the differences is finally figured out, there may appear a situation as between the two, which may be entirely unavoidable. So many reasons may exist which actually produce the inevitable result, that all of such reasons cannot be brought out at one time except by comparing the details of figures, which item by item, topic by topic, and purpose of expenditure with purpose of expenditures, are placed side by side and compared in their related effect, the one to be other, and all to all, going to show the real, and stand for what may still be an unavoidable reason for high tax rates of the present year as compared with an unwarranted lower rate for the previous year.

The work of the "budget department" in the governor's office has been effective in bringing the figures into existence which show the reasons referred to, and those figures are presented in tabulated form, as prepared by that department.

Take the figures thus presented, and looking only to the aggregates and here appears a total of \$5,719,986.10 for the budget of the year 1919-1920, as against a total of \$3,614,944.32 as the tax levy budget for the previous year 1918-1919. On the face of it, an increase of \$2,105,041.78. Those figures are the totals which produce a tax rate of 60 cents per hundred for present year as against a 39 cent per hundred rate for 1918-1919.

Taking the figures of the tables from those appearing under the head; "analysis" and which shows the aggregates under specific general heads and it here appears that the current state expenses have been increased by an amount of \$23,425.00 for salaries; increased by \$43,275.00 for unsegregated items of salaries and expenses, in con-

nection with which are increased salaries in departments which pay salaries out of general expense appropriation to clerks and stenographers; increased by \$50,091.20 for expenses of the 1919 legislature; all making an increase to the aggregate of \$116,781.20, for all purposes which show for what are really administrative expenses, and from which when compared with the previous year, a non-legislative year, \$50,091.20, may properly be deducted, leaving the net current expense aggregate for comparative purposes, the balance of \$66,690.00.

For educational purposes, not including institutions the final analysis shows \$1,220,483.71, as against \$866,504.15, the difference in increase amounting to \$353,979.56. The educational departments called for these increases, and the legislature allowed them, on the face of it, the increase was deemed necessary to the proper development of our school system.

An increase of \$161,385 appears as the aggregate increase in the totals for "institutional maintenance." This is approximately a twenty per cent increase. This increase had its origin in the fact of higher cost of supplies for institutions and means no more than that the state when it purchases supplies meets the same "high cost of living" problems that face individuals. The state must purchase the supplies for its institutions on the same rising market that fixes the prices paid by those individuals.

According to the figures, the state legislature deemed it necessary to increase the permanent buildings appurtenant to our state institutions, with the result that for institutional building and improvements, the sum of \$744,887.56 was appropriated to be expended from tax funds raised in 1919—as against \$128,000.00 for similar expenditures raised the previous year. This resulted in an addition of an extra \$616,887.56 to the tax rolls of this year as compared with the previous year.

The general public demanded better roads and bridges. The total appropriations for those purposes shown in the budget of 1918-1919, was \$894,000.00. This was increased and amounts to \$1,425,000.00 upon the rolls for 1919-1920. An addition of \$531,000.00.

The legislature, when it convened in 1919, found that the 1918 tax levy had not produced enough to carry out the

public purposes of that year. The sum of \$341,334.79 was appropriated to meet deficiencies. The net increase under the head of deficiencies as between the two years, was \$264,956.20.

The miscellaneous items of increased appropriations includes those items appropriated by the last legislature to match appropriations made by congress for co-operative national and state projects. All together under that miscellaneous head, there was an increase of \$66,664.21 for the last year.

Summing the whole statement up for the purposes of comparison, and there is a total increase to be charged to the year 1919-1920, over the totals for all purposes of the previous year, amounting to \$2,126,163.78. Accounting for not to exceed ten per cent of that total as it may be accounted for in increased salaries, and increased cost of supplies for maintenance of institutions, there remains approximately \$2,000,000.00 of that increase which accounts for itself as being to meet deficiencies of the previous year, and for capital investment in improvements to buildings, new buildings, roads, highways and bridges.

This Magazine holds no brief for any state official. Its sole purpose is to present figures and fairly analyze them. Extravagance in the matter of public expenditure is a subject for open discussion at all times. The figures which are referred to in this article present the question of whether there is extravagance in appropriating public money for new public structures, better roads and more bridges. If there is no extravagance per se in such appropriations, then the question as to any complaint on account of higher tax rates, narrows to the premises of how far those higher rates were due to the fact that the state legislature determined upon such new structures, new highways, bridges and improvements, and allotted an aggregate of \$2,000,000.00 for such purposes, after including in that aggregate an amount sufficient to square the state books for the deficiencies of the past years. No opinion is advanced as to any matter for or against possible complaints as to the whole situation which involves the increased budget. The figures of the whole situation are presented. The public itself can draw its own conclusions therefrom.

(Figures appear in tables on pages 5, 6, 7 and 8.)

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS' ASSOCIATION OF ARIZONA

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County Bonds to Fund County Floating Debts

(Continued from page 2)

Angeles vs. Teed, 112 Cal. 319; 44 Pac. 580.

This brings us to the second question. The clause contained in the section of the statute cited, that " * * if such county * * * shall desire to fund such indebtedness by the issuance of bonds therefor * * * provided, further, that it will not be necessary to hold the election required to be held herein; * * * is in the nature of an exception. The expression "the election required to be held herein" evidently refers to the election required in the earlier part of the chapter to be held in all cases where a county desires to increase its indebtedness over and above four per centum of the valuation of its taxable property. As we have just said, the funding of the outstanding or floating indebtedness of the county in no manner increases the liability or indebtedness of the county which is below four per centum of the valuation of its taxable property, and it be deemed advisable to issue bonds to fund all or any portion of its outstanding or floating indebtedness, the case will fall within

the exception contained in the statute in reference to an election, and the question of issuing the funding bonds need not be submitted to the voters of the county.

Board of Supervisors vs. Hawkins, supra, is a case wholly and entirely different from the present case. In that case, the county was about to issue bonds for the purpose of building a court house and thereby creating a new debt of the county. The case was predicated upon a different provision in the statute, to-wit: " * * that bonds may be issued under the provisions of this chapter for the construction and reconstruction of roads, bridges and highways; for the construction of public buildings, and for other lawful or necessary purpose. * * * The exception dispensing with the necessity of submitting the question of issuing the bonds to the voters, does not apply

to that provision. In no sense could the issuance of bonds for the purpose of building a court house be considered as the funding of an existing debt. Any expression in Board of Supervisors vs. Hawkins, contrary to the view herein expressed in reference to the funding of the valid, outstanding or floating indebtedness of a county, may be disregarded and considered overruled.

We conclude that Yuma County acting by and through the Board of Supervisors, was and is vested with the power under the law, to issue and sell the bond in question without first obtaining the assent of the qualified voters who are property taxpayers in the county, expressed at an election called for that purpose.

The judgment of the lower court is therefore affirmed."

Automobile Licenses and Personal Property Tax Collections

Prior to the present year a comparison of the tax rolls of all the counties in the state with the number of automobile licenses issued each year by the secretary of state, disclosed the fact that the latter number was far in excess of the number of automobiles which appeared upon the tax rolls. In other words the fact was disclosed that several thousand automobiles were escaping taxation.

The legislature of 1919 passed the law which now requires a certificate from the county assessor to the effect that all personal taxes have been paid by an applicant for automobile license, or that such applicant has real estate which is assessed and upon which personal property taxes, not paid, become alien, and which certificate must be obtained before a new automobile license can be procured. This law has been effective for the accomplishment of its purpose. It is pretty certain that every automobile in the state will pay its share of all taxes.

While figures are not available from all the counties an interview with the assessor of Maricopa county shows that the amount of personal taxes collected in January was over \$60,000.00 and which amount is greater than collections for the same month in any previous year.

That interview also discloses the fact that a large number of persons who are now required to pay personal taxes frankly admit that this is the first year that they ever paid personal taxes. It is also disclosed that a large number of

individual poll and road taxes have been collected from persons who were never on the tax list of preceding years.

The manner of procedure under the new law may work a little hardship upon some people, due to the time spent and used in getting the certificates as to taxes, this is a matter which can later be adjusted if necessary. The main point is that all of the class of property—automobiles—whose owners as a class are demanding more and more tax expenditures upon our highways, will as a class be compelled to contribute in taxes upon automobiles, the full amount due.

Figures are not available which will show the actual amounts collected by the assessors of other counties in the state, nor which will show just how many dollars of personal property valuations have been added to the tax rolls of the state, through the effect of the new law referred to above. Reference to the report of the State Board of Equalization for the year 1918-1919, which covers the assessment rolls which were prepared for taxation for the year 1919, shows a total of 19,069 automobiles listed for taxation. The total number of automobile licenses issued during year 1919 exceeded 29,000. Automobile licenses have already been issued for present year to the number of over 23,000. These figures do not show with positive accuracy the effect of the new law, but do have a tendency to show the general results thereof as a tax producing factor throughout the whole state.

An Itemized List of all Appropriations for the Fiscal Years Ending June 30, 1919, and June 30, 1920, for Which Tax Levy was Provided by Action of the State Board of Equalization, Together With a Comparison of the Increase or Decrease of Appropriations

(PREPARED BY "BUDGET DEPARTMENT IN GOVERNOR'S OFFICE")

APPROPRIATION		Totals		Totals		Increase	Decrease
Department	Commission	1918-19	1918-19	1919-20	1919-20		
Corporation	Commission	Salary Members	\$ 9,000.00	\$ 9,000.00			
		All other purposes	30,120.00	39,120.00	40,120.00	\$ 10,000.00	
State	Historian	Salary	2,400.00		2,400.00		
		Expenses	5,000.00	7,400.00	7,000.00	2,000.00	
Commission	Agri. & Horti.	All purposes	21,000.00	21,000.00	32,675.00	11,675.00	
Oneers'	Historical Society	All purposes	1,275.00	1,275.00	1,325.00	50.00	
Attorney	General	Salaries	11,150.00		11,000.00		
		Expenses	6,400.00	17,550.00	12,500.00	5,950.00	
Auditor & Bank	Comptroller	Salaries	13,200.00		21,300.00		
		Expenses	4,750.00	17,950.00	7,000.00	10,350.00	
Examiners		All purposes	750.00	750.00	400.00		350.00
ental	Examiners	All purposes	1,090.00	1,000.00	1,500.00	500.00	
ard of	Pardons and Paroles	All purposes	1,000.00★	1,000.00	1,000.00★		
apitol Building and	Grounds	All expenses	125,000.00★	125,000.00	45,000.00		80,000.00
m. State Inst., Board of	Directors	Salaries	11,400.00		9,600.00		
		Expenses	71,567.00★	82,967.00	25,000.00	48,367.00	
operation	Biological Survey				50,000.00	50,000.00	
County	Scholarships		2,100.00	2,100.00	7,000.00	4,900.00	
County	Fair Assistance		10,000.00★	10,000.00	14,000.00	4,000.00	
urt	Commissioners	All expenses	100.00★	100.00	100.00★		
iry	Commissioner	All purposes	10,000.00	10,000.00	10,350.00	350.00	
ducation	Deaf, Dumb and Blind		16,000.00	16,000.00	36,550.00	20,550.00	
vernor's	Office	Salaries	8,250.00		9,500.00		
		Expenses	10,150.00		14,000.00		
		Rewards Escaped cons.	1,000.00				
		Automobile Expense			3,600.00		
		Executive Budget		19,400.00	5,000.00	12,700.00	
S. and Normal	Vocational Pursuits		60,000.00★	60,000.00	70,000.00	10,000.00	
pector	Wts. and Measures	Salaries	3,200.00		3,200.00		
		Expenses	1,500.00	4,700.00	1,500.00	4,700.00	
Librarian		Salaries	3,600.00		4,500.00		
		Expenses		3,600.00	1,350.00	5,850.00	2,250.00
Stock	Sanitary Board	Salaries	6,300.00		7,500.00		
		Expenses	2,000.00		2,625.00		
		Perdiem and mileage	1,000.00		1,000.00		
		Re-recording brands		9,300.00	4,350.00	15,475.00	6,175.00
n	Commission		500.00★	500.00			
ns to	counties		30,000.00★	30,000.00	No estimate		500.00
onal	Guard		50,000.00★	50,000.00	50,000.00★	50,000.00	30,000.00
miums on	Bonds of State Officials		530.00★	530.00	550.00★	550.00	20.00
iting	Reports of Supreme Court		750.00	750.00	750.00	750.00	
etary of	State	Salaries	8,300.00		9,500.00		
		Initiative & Referendum	7,000.00				
		Contg. Exp. & Ptg. Constit.	2,500.00		2,500.00		
		Motor Vehicle Expense	7,500.00		3,800.00		
		Dito, Salary	1,200.00		3,800.00		
		Additional Clerical Asst.			1,000.00		
		Publishing Session Laws		26,500.00	2,500.00	31,800.00	5,300.00
hp	Sanitary Commission	Expenses	4,500.00		4,500.00		
		Chap. 42, Sec. 2, Laws 1919		4,500.00	5,000.00	9,500.00	5,000.00
Engineer		Salary	3,000.00		3,000.00		
		Travel Expense	2,500.00	5,500.00	2,500.00	5,500.00	
Examiner		Salaries	3,400.00		4,600.00		
		Expenses	3,100.00	6,500.00	4,400.00	9,000.00	2,500.00
Warden		Salaries	3,000.00		3,000.00		
		Travel Expense	1,000.00	4,000.00	1,000.00	4,000.00	
Laboratory		Salary	1,800.00		1,800.00		
		Expense	2,700.00	4,500.00	2,700.00	4,500.00	
Department		Administration	35,000.00		55,250.00		
		Selections	35,000.00				
		Co-op. U. S. R. S.			50,000.00		
		Water for Dry Farmers		70,000.00	10,000.00	115,250.00	45,250.00
Mine	Inspector	Salaries	8,400.00		10,200.00		
		Office Expense	1,400.00		1,800.00		
		Travel Expense	5,600.00	15,400.00	5,600.00	17,600.00	2,200.00
Tax	Commission	Salaries	11,400.00		13,200.00		
		Clerical help	3,600.00				
		Contingent expense	3,500.00		10,000.00		
		Travel Expense			3,500.00		
		Board of Equalization	1,200.00	19,700.00	1,200.00	27,900.00	8,200.00
Treasurer		Salaries	6,600.00		8,700.00		
		Expense	500.00	7,100.00	1,000.00	9,700.00	2,600.00

An Itemized List of All Appropriations---Continued from Page Five

APPROPRIATION		Totals		Totals		Increase	Decrease
		1918-19	1918-19	1919-20	1919-20		
State Veterinarian	Salary	1,800.00		1,800.00			
	Office & Contg. Exp.	2,750.00		1,500.00			
	Mileage	1,000.00		2,400.00			
	Dourine Eradication		5,550.00	5,000.00	10,700.00	5,150.00	
Superintendent Public Health	Salary	2,000.00		2,000.00			
	Expenses	3,000.00		2,000.00			
	Mileage	1,800.00		2,400.00★			
	Clerical Assistance			3,000.00			
	Health Work		6,800.00	12,700.00	22,100.00	15,300.00	
Superior Court Judges	Salaries	26,575.00		27,400.00			
	Exp. sitting as Sup. Jg.		26,575.00	250.00★	27,650.00	1,075.00	
Supreme Court	Salaries Judges	15,000.00		15,000.00			
	Other Salaries	7,500.00		10,500.00			
	Contingent expense		23,500.00	1,000.00	26,500.00	3,000.00	
		8,500.00★	8,500.00	7,500.00★	7,500.00		
Printing & publishing reports state officials		20,000.00★	20,000.00	184,840.00	184,840.00	164,840.00	1,000.00
Vocational Education		5,000.00	5,000.00	5,000.00	5,000.00		
Northern Arizona Fair		7,500.00	7,500.00	12,000.00	12,000.00	4,500.00	
Normal and H. S. Cadet Commission		15,000.00★	15,000.00	25,000.00★	25,000.00	10,000.00	
Interest on Registered Warrants		1,500.00	1,500.00	1,500.00	1,500.00		
Interest St. Louis Exposition Bonds				75,000.00	75,000.00	75,000.00	
Fourth State Legislature				120,000.00			
Asylum for the Insane	Maintenance	90,000.00		52,682.84	172,682.84	65,182.84	
	Building & Improvement	17,500.00	107,500.00	31,000.00	31,000.00	6,000.00	
Bureau of Mines	Maintenance	2,650.00	2,650.00	3,175.00	3,175.00	525.00	
		3,137.50		5,925.00			
Date Palm Orchard				12,500.00	18,425.00	15,287.50	
Date Palm Orch. & Horti. Station				4,500.00	4,500.00	1,500.00	
Dry Farming		3,000.00	3,000.00				
		2,500.00	2,500.00	2,500.00	2,500.00		
Free Employment Office		30,000.00	30,000.00				30,000.00
Military Fund	Erecting Armories			110,780.00			
		79,500.00		10,000.00			
Nor. Ariz. Normal School	Maintenance	2,500.00		13,225.00			
	Improvement			82,000.00	132,716.72	184,721.72	
Pioneers' Home	Buildings			27,195.00			
	Maintenance	18,000.00		6,068.00			
Plant Introduction	Improvement	1,000.00		32,850.00			
	Auto & Maintenance		19,000.00	2,100.00	68,213.00	49,213.00	
Prescott Dry Farm		3,000.00	3,000.00	4,260.00	4,260.00	1,260.00	
		3,690.00	3,690.00	6,090.00	6,090.00	2,400.00	
State Prison	Maintenance	100,000.00		145,000.00			
	Improvement	12,000.00	112,000.00	24,845.00	169,845.00	57,845.00	
State Fair		59,247.45	59,247.45	69,000.00	69,000.00	9,752.55	
State Industrial School	Maintenance	35,000.00		49,000.00			
	Improvement	10,000.00		100,000.00			
State Common Schools	Building		45,000.00	25,000.00	174,000.00	129,000.00	
		752,500.00	752,500.00	877,500.00	877,500.00	125,000.00	
State Road Tax Fund		834,000.00		1,055,000.00			
Ditto	Prison	60,000.00	894,000.00	60,000.00	1,115,000.00	221,000.00	
		10,000.00	10,000.00	16,510.00	16,510.00	6,510.00	
Salt River Valley Experimental Farm		3,700.00	3,700.00	4,490.00	4,490.00	790.00	
Sulphur Springs Valley Dry Farm		3,000.00	3,000.00	3,000.00	3,000.00		
Surface Water Investigations				116,500.00			
Tempe Normal School	Maintenance	110,000.00		8,950.00			
	Improvement & Repairs	12,500.00					
University of Arizona	Grounds Improvement	2,500.00					
	Land		125,000.00	18,100.00	143,550.00	18,550.00	
University of Arizona	Maintenance	149,597.50		218,082.50			
	Improvement	40,000.00		41,950.00			
Farm Maint & Improv.		14,150.00		18,550.00			
	Co-op. Agri. Ext.	6,004.15		7,433.71			
University Ext.		6,000.00		25,160.00			
	Printing	6,000.00		9,000.00			
Citrus Investigation				10,000.00			
	Land & Buildings		221,751.65	184,900.00	515,076.21	293,324.56	
Underflow Water Investigation		2,400.00	2,400.00	2,400.00	2,400.00		
Asylum for Insane Interest		1,000.00	1,000.00	1,000.00	1,000.00		
Interest on State Funded Debt		32,938.76	32,938.76	32,938.76	32,938.76		
Capitol Building Interest		5,000.00	5,000.00	5,000.00	5,000.00		
University Interest 1901		1,250.00		1,250.00			
	1903	550.00	1,800.00	550.00	1,800.00		
Redemption: State Funded Debt		25,958.90		25,858.90			
St. Louis Expo. Bonds		2,500.00		2,500.00			
Uni. of Ariz. Bonds		2,500.00	30,958.90	2,500.00	30,958.90		
Deficits in various funds paid out of General Fund Fiscal year ending, June 30, '18		76,378.59	76,378.59				76,378.59
Legislative Expense 1st S. S. 1918		24,908.80	24,908.80				24,908.80
Relief Wives of Sheriff & Depts. Graham County		17,500.00	17,500.00				17,500.00
State Council of Defense		26,500.00	26,500.00				26,500.00

An Itemized List of all Appropriations---Continued from Page Six

APPROPRIATION	1918-19	Totals 1918-19	1919-20	Totals 1919-20	Increase	Decrease
Destruction of Predatory Animals.....	25,000.00	25,000.00				25,000.00
Americanization of Aliens.....	3,000.00					
Ditto Night Schools.....	25,000.00	28,000.00				28,000.00
Items omitted or underestimated in Levy of 1917.....	19,265.67	19,265.67				19,265.67
Arizona Resources Board.....			10,000.00	10,000.00	10,000.00	
Arrowhead Trail.....			50,000.00	50,000.00	50,000.00	
Asylum for Insane.....			40,000.00	40,000.00	40,000.00	
Nor. Ariz. Normal School.....			15,000.00	15,000.00	15,000.00	
Pioneers' Home.....			10,000.00	10,000.00	10,000.00	
State Industrial School.....			35,000.00	35,000.00	35,000.00	
Tempe Normal School.....			26,896.79	26,896.79	26,896.79	
Emergency Departmental Deficiencies.....			24,438.00	24,438.00	24,438.00	
Completing Addition to Capitol.....			30,000.00	30,000.00	30,000.00	
Colorado River Bridge—Mohave Co.....			40,000.00	40,000.00	40,000.00	
Approaches Lee's Ferry Bridge.....			10,000.00	10,000.00	10,000.00	
Gila River Bridge—Graham Co.....			65,000.00	65,000.00	65,000.00	
Jak Creek Bridge—Yavapia Co.....			10,000.00	10,000.00	10,000.00	
Superior—Miami Highway.....			100,000.00	100,000.00	100,000.00	
Williams—Clarkdale Highway.....			35,000.00	35,000.00	35,000.00	
Sacaton—Florence Power Line.....			50,000.00	50,000.00	50,000.00	
Experimental Well—San Simon Val.....			15,000.00	15,000.00	15,000.00	
Investigation of Irrigation Projects San Simon, Sulphur Springs & San Pedro Valleys.....			10,000.00	10,000.00	10,000.00	
Installing Head Gates etc.—White River.....			5,000.00	5,000.00	5,000.00	
Welcoming returned soldiers.....			5,000.00	5,000.00	5,000.00	
Commissioner of Immigration.....			1,000.00	1,000.00	1,000.00	
State Smelter & Sampling Works.....			5,000.00	5,000.00	5,000.00	
State Anthem.....			600.00	600.00	600.00	
Portraits of certain Legislative officials.....			400.00	400.00	400.00	
State Water Fund.....			25,000.00	25,000.00	25,000.00	
Laundry Special Relief Appropriations.....			15,229.88	15,229.88	15,229.88	
GENERAL FUND DEFICIT.....			190,000.00	190,000.00	190,000.00	

TOTAL.....	\$3,614,944.32	\$5,719,986.10	\$2,512,811.84	\$407,770.06
Net Increase.....		3,614,944.32	407,770.06	

★Estimated.....		\$2,105,041.78	\$2,105,041.78	
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APPROVED BUDGET FOR 1918-19.....	1918-19	\$3,614,944.32
Less items overestimated 1917 Levy.....	\$108,637.98	
Less Receipts from other sources.....	354,750.71	463,388.69

Add Increase for Board of Equalization.....	300.00	\$3,151,555.63
Add Increase for Good Measure.....	100,000.00	100,300.00

TO BE RAISED BY TAXATION.....	\$3,251,855.63
Assessed Valuation.....	\$834,020,532.00
Rate.....	\$.39 will raise
SURPLUS.....	\$ 824.44

APPROVED BUDGET FOR 1919-20.....	1919-20	\$5,719,986.10
Less Receipts from other sources.....	\$334,244.78	
Less Receipts Institutional Lands.....	193,573.36	
Less Estimate Gila County Taxes.....	100,000.00	
Less Error in Computation.....	250.00	628,068.14

TO BE RAISED BY TAXATION.....	\$5,091,917.96
Assessed Valuation.....	\$855,224,720.00
Rate.....	\$.60 will raise
SURPLUS.....	\$40,430.36

ANALYSIS

	1918-19	1919-20	INCREASE	DECREASE
ALARIES.....	\$172,075.00	\$ 195,500.00	\$ 23,425.00	
XPENSES.....	194,942.00	194,920.00		\$ 22.00
ALARY & EXPENSES, Not Segregated.....	108,000.00	151,275.00	43,275.00	
MILITARY ACTIVITIES.....	57,500.00	62,000.00	4,500.00	
EDUCATIONAL PURPOSES, Not including Institutions.....	866,504.15	1,220,483.71	353,979.56	
INSTITUTIONAL MAINTENANCE.....	840,072.45	1,001,457.50	161,385.05	
INSTITUTIONAL BUILDING & IMPROVEMENT.....	128,000.00	744,887.56	616,887.56	
ROADS & BRIDGES.....	894,000.00	1,425,000.00	531,000.00	
LEGISLATIVE EXPENSE.....	24,908.80	75,000.00	50,091.20	
COUNTY AID.....	47,100.00	26,000.00		21,100.00
DEFICIENCY APPROPRIATIONS.....	76,378.59	341,334.79	264,956.20	
INTEREST ON PUBLIC DEBT.....	57,238.76	67,238.76	10,000.00	
REDEMPTION OF STATE BONDS.....	30,958.90	30,958.90		

An Itemized List of all Appropriations---Continued from Page Seven

MISCELLANEOUS	1918-19	1919-20	1918-19	1919-20	INCREASE	DECREASE
Co-operation with Biological Survey.....	\$25,000.00	\$50,000.00				
Rewards for capture of escaped convicts.....	1,000.00					
Relief of wives of Sheriff & Dep. Graham Co.	17,500.00					
State Council of Defense.....	26,500.00					
Americanization of Aliens.....	28,000.00					
Items omitted or underestimated Levy 1917	19,265.67					
Co-operation with U. S. R. S.....		50,000.00				
Water for Dry Farmers.....		10,000.00				
Eradication of Dourine.....		5,000.00				
Public Health work.....		12,700.00				
Experimental well, San Simon Valley.....		15,000.00				
Investigation of Specified Irrigation Projects.....		10,000.00				
Installation of head gates, etc., White River....		5,000.00				
Welcoming returned soldiers.....		5,000.00				
State Smelter and Sampling Works.....		5,000.00				
Portraits of certain Legislative Officials.....		400.00				
State Anthem.....		600.00				
Special Relief Appropriations.....		15,229.83	117,265.67	183,929.88	66,664.21	
TOTAL		\$3,614,944.32	\$5,719,986.10	\$2,126,163.78	\$21,122.00	
			3,614,944.32		21,122.00	
NET INCREASE			\$2,105,041.78	\$2,105,041.78		

Suggests that United States Adopt Budget System

The growing demand and reflection of public opinion in favor of the budget system as a means of regulating all public expenditures has been felt at Washington. Many of the states have lined up with Constitutional Amendments and legislation along the lines of this system with the result that the more familiar the people are with its workings the better they like it, and other states are rapidly falling in line. The budget system is no longer considered one under which the public who furnished the revenues will escape their duties to contribute as much as necessary to the proper performance of all public activities, that may be necessary to a development of public interests, but, the public is coming to realize the fact that the budget system, simply puts the matter of public expenditures upon a business basis with those expenditures preceded by complete planning to cover the future which followed out in the expenditures, finally speaks for certainty as to the public purposes for which money shall be spent and for certainty as to the amount to be spent for each purpose and for the aggregate of all purposes. In short, the budget system if perfected simply lets the people know what is expected of them in way of public revenue to be contributed by the public. As said above the United States Government is considering the matter and action has been taken by committees of congress along the lines of President Wilson's message of December 2, 1919 where he says:

"I hope that Congress will bring to a conclusion at this session legislation

looking to the establishment of a budget system. That there should be one single authority responsible for the making of all appropriations and that appropriations should be made not independently of each other, but with reference to one single comprehensive plan of expenditure properly related to the Nation's income, there can be no doubt. I believe the burden of preparing the budget must, in the nature of the case, if the work is to be properly done and responsibility concentrated instead of divided, rest upon the executive. The budget so prepared should be submitted to and approved or amended by a single committee of each house of Congress and no single appropriation should be made by the Congress, except such as may have been included in the budget prepared by the executive or added by the particular committee of Congress charged with the budget legislation."

Questions and Answers

In dividing a school district and organizing a new district to cover portions of the taxable property included in the old one, what property remains subject to taxation for payment of school district bonds issued for purposes of the first district?

If the bonds referred to have already been sold, there is no provision in the law which covers the question, and it seems to follow that the entire property taxable for the purposes of paying interest and principal upon the bonds is liable to a continued tax for that purpose. The provision of the school law that: "the board of supervisors, at the

time of making the levy of taxes for county purposes, must levy a tax upon the taxable property in such district, for the interest and redemption of the bonds," seems to mean that such levy must be upon the same property of the district which voted the bonds. The words: "Taxable property in such district" with their meaning as connected with similar provision contained in the road district law of Arizona, has been construed to mean, as appears from the extract from an opinion of the Supreme Court, quoted as follows:

"The statute emphatically makes the bonds authorized to be issued, "payable out of the road fund of such district, naming the same, and that the money shall be raised by taxation upon all the taxable property in such district for the redemption of the bonds and the payment of the interest thereon." This is not a requirement of "such road district" to pay the bonds authorized, but "the money shall be raised by taxation upon all the taxable property in such district." Clearly all of the taxable property in such district has reference to no other property than was in the space of such road district at the time the bonds became an obligation of the district." . . . that is, the property of the road district which became liable to taxation for the purpose of raising the money for the redemption of the bonds and the payment of the interest thereon remains liable to taxation for such purposes until such liabilities have been discharged and until such liabilities have been discharged the county officials are under legal duty to levy and collect the tax for that purpose."

JUN 14 1920

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ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME SEVEN

PHOENIX, ARIZONA, MARCH, 1920

NUMBER THREE

Table Showing Total Assessed Valuation of Banks in Arizona, and Percentages of Total State Valuations Since Statehood

Year	Total Valuation	Percentage of Total State Valuation
1913	\$5,289,875.66	1.4
1914	6,159,883.35	1.5
1915	6,121,059.22	1.4
1916	6,539,355.57	1.3
1917	7,482,217.01	1.1
1918	8,876,582.37	1.06
1919	9,391,736.25	1.09

In common with the increases of percentage of taxable valuation of other property in the state, its banks show an increase from 1.06 per cent of total for year 1918 to 1.09 per cent of total for year 1919

EDITORIAL COMMENT

POWER OF CITIES AND TOWNS TO ISSUE BONDS

The question of how far a town or city of this state may go in the matter of issuing bonds for public purposes has been brought to the attention of the Magazine, and while that question may not be free from doubt, and will be so until the courts of this state have finally settled the matter, the attention of our readers is directed to certain provisions of the state constitution, which must be read as limitations upon the power of the people, and of the legislature itself, so far as those provisions do apply to the question, and which constitutional provision is as follows:

"No county, city, town, school district, or other municipal corporation shall for any purpose become indebted in any manner to an amount exceeding four per centum of the taxable property in such county, city, town, school district, or other municipal corporation, without the assent of a majority of the property taxpayers; who must also in all respects be qualified electors therein, voting at an election provided by law to be held for that purpose, the value of the taxable property therein to be ascertained by the last assessment for State and County purposes, previous to incurring such indebtedness; except that in incorporated cities and towns assessments shall be taken from the last assessment for city or town purposes: "Provided, that under no circumstances shall any county or school district become indebted to an amount exceeding ten per centum of such taxable property, as shown by the last assessment roll thereof; and provided, further, "that any incorporated city or town, with such assent, may be allowed to become indebted to a larger amount, but not exceeding fifteen per centum additional, for supplying such city or town with water, light or sewers, when the works for supplying such water, light or sewers are or shall be owned and controlled by the municipality."

Acting under the above provisions of the constitution, the state legislature enacted a provision as follows:

"Every municipal corporation within this state shall have the right to engage in any business or enterprise which may be engaged in by a person, firm or corporation by virtue of a franchise from said municipal corporation, and every city containing a population of more

than three thousand five hundred inhabitants shall have the right and power to acquire, own and maintain, within or without the corporate limits of such city, real estate for sites and rights of way for public utility and public park purposes, and for the location thereon of water works, electric light and gas plants, municipal quarantine stations, garbage reduction plants, pipe lines for the transmission and transportation of gas, water and sewerage, and for any plant for the manufacture of any material for public improvement purposes or public buildings, and for all such purposes shall have the power to exercise the right of eminent domain, either within or without the corporate limits of such city, and to establish, lay, and operate any such plant or pipe line upon any land or right of way taken thereunder; and shall have and exercise the right to manufacture any material for public improvement purposes and to barter or exchange the same for other material to be used in public improvements in such city, or to sell the same to other cities for like purposes, and for any or all such purposes, in order to raise means to carry out the same, shall have the power to issue and sell bonds bearing interest not to exceed five per centum per annum, maturing in twenty-five years and redeemable at will in not less than ten years; and whenever any such public improvement shall have been constructed by means derived from the sale of bonds as above provided, it shall be the duty of such city to fix the rates charged for service to the public as nearly as practicable so as to pay the interest and not less than three per cent per annum on the principal of such bonds, in excess of the expense of maintenance and operation; Provided, that whenever it shall be found impracticable to issue bonds, as above provided, for any improvement deemed by the city necessary for the public welfare without increasing the total indebtedness of such city beyond the constitutional limit, it shall be lawful for such city to lease at a stipulated rental any public improvement or utility, from any person, firm or corporation, which will contract to furnish the same; Provided, that any such rental contract shall reserve to such city the option to purchase such

improvement or utility in the future."

The provisions so enacted seem to authorize towns and cities, to issue bonds only for the public utility purposes therein named. Seems to confine that authority to those purposes, and then also to confine that authority with respect to those purposes within the "constitutional limits" of not to exceed fifteen per cent additional to the four per cent, based upon the assessed valuations of the property of the town or city. The law nowhere refers to bonds for "streets" for "paving", or for any of the particular public purposes which are in other provisions of law, ordinarily covered by annual tax levies, with limitations upon the power of cities and towns to tax for such purposes found in the laws permitting such levies.

In most of the states the courts have held that the power of cities and towns as to matter of issuing bonds for their municipal purposes is not an implied power incident to the city or town a such; and have held that the power to issue bonds must be a power expressly granted to the town or city by the legislature. There are decisions to the effect that where the legislature has enumerated the particular purposes for which city bonds may be issued, purposes not mentioned are excluded by implication. That is, no power exists in the city to issue bonds for purposes not mentioned, when some purposes are mentioned. Under these decisions, the question of the amount limited and beyond which bonds may not be issued, does not come into the matter at all as regards attempt to issue bonds for purposes as to which no bond issue at all is permitted, or authorized by the legislature. Bonds may be issued for certain purposes, and when issued, then the amount must not be in excess of the constitutional limitations as to bond issues. On the other hand, with no power to issue any bonds for a particular purpose, the fact that the constitution does provide limits as to amounts of bonds, will not, when standing alone be treated as authority to issue bonds.

As said at the outset, only a suggestion can be given upon the question, and the matter is of importance sufficient for court action for its final determination.

About the County Salary Lists of the Counties of Arizona

In 1917, the legislature enacted a salary law which became effective with the new officers who took office in January of 1919. In that law was a list of deputies and assistants for each county office, with salaries named as for each, and from it all there appears some expression of the intent of the legislature to the effect that those officers, deputies and assistants, and the salaries of each, was to comprise the "salary list" of the various counties.

There is a provision in that law to have effect in the following words:

"Section 8. The salaries provided in this act shall be in full compensation for all services of every kind and description rendered by the officers named in this act, either as officers ex-officio, deputies or assistants."

But after carefully providing as above, a "rider" was injected into the law in the following words:

"(f) All of the county officers hereinbefore named may, by and with the advice and consent of the board of supervisors, appoint such deputies, stenographers, clerks and assistants as may be necessary to properly conduct the affairs of their respective offices."

This provision is called a rider, for the reason that under its authority, the entire salary list as actually applied in the various counties, and paid under authority of the board of supervisors is not at all controlled by the salary list, so far as aggregates of total salaries in fact paid are concerned. It is not to be understood that any county officer draws more salary than that law specifies; nor to be understood that any deputy or assistant whose compensation is fixed by the law is drawing more salary than the amounts there fixed. But one way and another the number of persons actually drawing salary has been increased, with a corresponding increase in the aggregate amount of salaries paid.

In connection with the annual report of the State Examiner, the figures appear which show the entire salary lists of each county, stated on a monthly basis. From those figures comparisons may be made, as between the aggregates of salaries specifically provided for in the 1917 salary law, and the aggregates actually disbursed in salaries.

The salary law specifically provides for an aggregate salary to officers, deputies and assistants allotted to first class counties, \$40,100.00; for officers depu-

ties and assistants allotted to second class counties, \$36,300.00; for officers, deputies and assistants allotted to third class counties, \$33,200.00; and for fourth class counties \$14,100.00. There are six "first class" counties under the classification of the 1917 salary law. The report of the state examiner shows that of these, Cochise has a monthly salary list of \$10,744.15. Or, on that basis over \$128,900.00 for a year. Gila county has a monthly salary list of \$9,025.80, or over \$108,000.00 for a year. Maricopa county has a monthly list of \$12,177.39, or an annual salary list of \$146,124.00. Pima county with a monthly salary list of \$8,426.64, has annual list of \$101,112.00. Pinal county with a monthly list of \$6,443.15, pays out \$77,317.80 annually on account of salaries. Yavapai county pays out \$8,944 monthly, or a total of \$106,328.00 annually for salaries. Coming to the second class counties, Coconino has a salary list of \$5,062.48 monthly, which amounts to \$60,789.76 annually; Greenlee has a monthly salary list of \$5,524.99, which amounts to \$66,299.88 annually; Mohave has a salary list of \$4,845.02 monthly, amounting to \$58,140.00 annually. Yuma county has a monthly salary list of \$5,766.00, which amounts to \$69,199.00 per year. In the third class list, Graham county has a monthly salary list of \$2,869.13, which amounts to \$33,429.56 annually. There are three counties in the fourth class. Of these Apache has a monthly salary list of \$2,133.16 amounting to \$25,597.92 annually; Navajo has a monthly list of \$2,629.52 which amounts to \$31,654.24 annually; Santa Cruz county pays out \$3,446.66 each month with a total of \$41,359.92 annually as her salary list.

The entire salary list for which, under the 1917 salary law specific provision is made for salaries and offices to be filled in all counties amounts to a total of \$461,300; the report of the state examiner shows figures which when computed into an annual aggregate for all counties shows a total of \$954,247, as the actual salary list for all the counties of the state.

The county salary law makes a classification of the counties for a basis of fixing salaries, according to assessed valuations of different counties. An examination of the figures given above shows that such valuations seem to have no direct connection with the amount of county business to be transacted.

Maricopa county pays out more salaries than any other county, but is fourth in the list according to assessed valuations, of the "first class counties". Yuma county as one of the "second class counties", with an assessed valuation of \$19,880,527.17, heads the list in amount of salaries paid, with Greenlee county showing an assessed valuation of \$43,946,537.94, paying less in salaries. And similar comparisons might be made throughout the entire list.

Public business of counties must be transacted. The public must be served. But with the figures of actual results as to the cost of service in each county, compared with the cost of service in other counties, it would seem that similar services required and rendered could be provided for at some more equal basis of cost to the public than those figures show the present cost to be. If there is, in the various salary lists of the different counties any reflection of the idea that it does not cost the taxpayers much in proportion to the amount of taxes which they pay, to have a few more employees in the various offices, and if, that idea is to any extent reflected in the salary lists, then it may be said that the idea is wrong. It should never become a question of how much the taxpayers will stand for, in the matter of any public expense, the only real question is, how much expense is actually necessary to properly conduct public affairs without waste and without unnecessary extravagance.

The question of county salaries as that matter appears from the figures given above is one which may be given serious attention by the county boards of the various counties, with a view of more equality among counties as to the cost of similar activities in each county.

Delinquent Taxes of the State and Counties

The state tax commission has prepared a statement which shows the amount of taxes delinquent upon the tax rolls for the several years beginning with 1915, and closing with January 5, 1920. This statement includes all amounts delinquent, and includes those amounts which ultimately, when collected, go to the state and county treasuries.

In those figures it appears that Maricopa county has the largest amount of

(Continued on Page Seven)

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS' ASSOCIATION OF ARIZONA

Subscription March, 1920 50 Cents

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What it Cost to Run the Various Counties for a Twelve Months Period

The state examiner recently filed an annual report which includes a table of finances for the several counties of the state showing total receipts and disbursements for the period from December 1, 1918 to and including November 30, 1919, and which is the first statement of the kind that has appeared in the records and reports of the state of Arizona.

That table shows a balance on hand in all the county treasuries of \$5,898,132.30 at the beginning of the period. It shows the collection of taxes amounting to \$11,221,161.73, out of which came \$3,185,739.79 as the state taxes; other revenues, to the counties, include fees, \$346,070.98; interest on county deposits \$107,682.16; board of United States prisoners, \$37,792.34; miscellaneous, \$374,260.44.

The table shows receipts from the sale of bonds to an amount of \$2,972,031.52. Also shows that the state appropriated to the counties the sum of \$963,932.30 from state common school funds.

Among the disbursements which are specifically grouped under distinct heads in that tabulation, appears the sum of \$2,619,586.82 as county maintenance; the sum of \$1,953,883.77 for

roads; the sum of \$3,660,501.73 for common schools; \$716,412.93 for interest and principal of bonds; and the sum of \$383,922.86 for miscellaneous expenditures.

There was a balance on hand at the close of the period covered by the report to an amount of \$8,810,292.23. In all the report shows that the various county treasurers handled \$21,921,063.77, during the period covered, and the difference as between the balance remaining of \$8,810,292.23, and the balance on hand at the beginning of the period—\$5,898,132.30, may be accounted for as funds of receipts for bonds sold, and increased tax collections, as mainly accounting for that difference. In going over the figures there appears to be no accounting as to the proceeds of several bond issues made by the counties during the year covered. Just the details of that matter are not at hand, but it is suggested to our readers, for the reason that most of them are familiar with bond issues voted that greatly exceed the amount of \$2,972,031.52 mentioned in the report as proceeds of bonds sold.

The table compiled by State Examiner follows:

Schedule of Receipts and Disbursements of the Counties December 1, 1918

RECEIPTS

COUNTY	Balance Dec. 31, 1918	Taxes	Fees	Sale of Bonds	Interest on County Deposits	Board of U. S. Prisoners	State School Apportion- ment	Miscel- laneous	
Apache	\$ 46,103.35	\$ 161,312.67	\$ 5,700.79	\$ 8,096	.90	\$ 353.06	\$ 14.35	\$ 15,197.20	\$ 871.65
Cochise	1,880,581.15	2,215,228.46	52,063.32	409,862	.50	25,263.81		164,573.11	50,825.35
Coconino	168,428.92	413,988.25	9,984.29			1,435.41	5.25	19,357.50	26,559.39
Gila	1,159,379.27	1,408,913.20	31,249.82	331,048	.57	29,770.00	2,457.39	81,504.35	32,706.79
Graham	119,382.83	255,502.10	8,762.75			2,473.48		43,002.30	14,774.81
Greenlee	340,432.38	697,767.46	8,602.45	361,428	.41	14,625.53	125.80	72,845.28	10,950.01
Maricopa	519,990.88	1,920,426.48	99,778.27	1,290,523	.07	10,314.43	4,115.00	239,204.20	50,062.11
Mohave	143,753.06	337,259.46	16,740.55			2,749.34		16,487.92	22,701.23
Navajo	213,947.07	283,241.62	11,622.95			1,903.26	115.20	35,942.29	5,662.55
Pima	371,706.50	1,065,791.10	32,271.02	241,674	.75	5,911.24	10,887.75	87,942.00	65,593.26
Pinal	265,088.37	644,056.40	15,545.74	82,495	.00	2,761.34		50,701.30	41,538.96
Santa Cruz	83,756.52	284,327.28	9,003.93			941.83	1,542.70	33,394.20	1,993.54
Yavapai	392,812.39	1,121,131.93	26,259.89	60,181	.66	5,259.90	18,170.40	64,971.05	5,799.53
Yuma	192,769.61	412,215.32	18,485.21	186,715	.66	3,919.53	358.50	38,809.60	44,221.26

TOTAL\$5,898,132.30 \$11,221,161.73 \$346,070.98 \$2,975,031 .52 \$107,682.16 \$37,792.34 \$963,932.30 \$374,260.44 \$1,953,883.77

State Common School Funds Distributed and Intended for Distribution

The State Superintendent of public instruction made the first distribution of common school funds for present year to the counties; and upon the school census figures of each county, the fig-

ures of that apportionment, together with the figures of the census of school children in each county for last and previous year, appear below.

\$750,000.00. The legislature of 1919 made two tax-levy appropriations for state common school funds. Their provisions are quoted in full, as follows:

(Page 29, Laws 1919.) "That section 2815, Chapter XVIII, Title II, Revised Statutes of Arizona, 1913, Civil Code, be and the same is, hereby amended to read as follows:

"There shall be levied and collected annually on the manner in which other State taxes are levied and collected by a levy by the officials provided by law, a sufficient tax to raise the sum of Seven Hundred and Fifty Thousand (\$750,000.00) Dollars; said levy is to be made on the taxable property within the State and paid into the State Treasurer as a special fund for school purposes.

"It shall be the duty of the State Treasurer to receive and hold as a special fund, all public school moneys paid into the State Treasury; and to pay them over to warrants drawn by the State Auditor in accordance with law. All moneys so raised shall be placed to the credit of a fund to be known as a State common school

County	1918-1919 Census	1919-1920 Census	Amount Apportioned
Apache	1,344	1,487	\$ 8,178.50
Cochise	12,677	12,387	68,128.50
Coconino	1,504	1,440	7,920.00
Gila	6,231	6,123	33,676.50
Graham	3,271	3,357	18,463.50
Greenlee	5,164	5,005	27,527.50
Maricopa	18,035	20,869	114,779.50
Mohave	1,061	1,059	5,824.50
Navajo	2,560	2,808	15,444.00
Pima	7,340	7,400	40,700.00
Pinal	3,931	3,725	20,487.50
Santa Cruz	2,734	3,250	17,875.00
Yavapai	4,854	5,086	27,873.00
Yuma	2,992	3,789	20,839.50
Total	73,698	77,785	\$427,817.50

Comparing the two years, it is found that the school census figures have increased in the latter year from 73,698 of the previous year to 77,785; an increase of 4,087.

Amount to Tax-levy Appropriation for 1918-1919 and for 1919-1920

The total tax levy appropriation for the year 1918-1919 covered by the census, which shows 73,698 pupils, was

the State of Arizona for the twelve months period
November 30, 1919

DISBURSEMENTS

County Main- tenance	Roads	Schools	Payments on Bonds and Interest	State Tax	Towns	Miscellaneous	Balance	TOTAL
\$ 49,418.89	\$ 15,177.58	\$ 45,744.60	\$ 11,676.09	\$ 19,879.60	\$	\$ 250.72	\$ 95,502.49	\$ 237,649.97
636,068.98	869,706.15	399,195.93	160,059.13	394,631.45	160,116.47	133,271.93	2,045,347.66	4,798,397.70
150,440.99	79,918.93	92,713.16	9,638.94	65,345.64	16,947.39	323.35	224,430.61	639,759.01
233,557.02	153,773.31	401,114.35	56,168.21	991,066.92	111,997.98	43,909.31	1,085,442.29	3,077,029.39
62,478.60	25,522.80	102,517.65	23,742.26	70,248.55	7,143.03	6,662.69	145,582.69	443,898.27
120,274.77	170,141.30	237,536.15	67,906.19	96,667.02	7,811.64	21,175.90	785,264.35	1,506,777.32
424,013.13	156,341.24	1,034,499.60	95,799.75	443,665.87	27,621.78	46,716.84	1,905,761.23	4,134,419.44
114,764.55	32,916.15	46,382.45	36,972.99	86,316.73		806.33	221,532.36	539,691.56
68,000.98	94,001.47	143,251.29	18,803.13	39,566.50	24,068.73	3,646.43	161,096.41	552,434.94
202,017.78	104,341.97	444,526.66	99,317.99	254,771.11	168,957.38	77,808.50	530,036.23	1,881,777.62
132,499.05	76,657.71	158,062.06	35,261.45	221,444.11	10,072.74	7,649.25	460,540.74	1,102,187.11
71,872.89	18,917.35	84,610.37	24,740.85	43,824.96	31,017.96	13,110.19	126,865.43	414,960.00
219,769.02	95,549.34	327,612.24	41,350.95	355,231.70	22,626.34	20,019.61	612,427.55	1,694,586.75
134,410.17	60,918.47	142,735.22	34,975.00	103,079.63	2,342.20	8,571.81	410,462.19	897,494.69
\$2,619,586.82	\$1,953,883.77	\$3,660,501.73	\$716,412.93	\$3,185,739.79	\$590,723.64	\$383,922.86	\$8,810,292.23	\$21,921,063.77

fund."

Laws 1919, page 372, Section 45, as follows:

"To provide an additional State Common School Fund, to maintain the office of the State Superintendent of Public Instruction, to pay the expenses of the State Board of Education to purchase free text books for the public schools, to pay certain funds into the school funds of the several counties of the state in proportion provided by law, there is hereby appropriated the sum of \$250,000.00; \$125,000.00 to be expended during each of the years ending June 30, 1920, and June 30, 1921; to be expended under the supervision of and by the direction of the State Board of Education; said sum to be paid by the State Treasurer into the State Common School Fund, out of taxes collected for the years 1919 and 1920. The State Auditor is hereby authorized and directed to draw his warrants on the State Treasurer for all expenditures approved and allowed by said Board of Education under the provision of this section, and the State Treasurer is hereby authorized and directed to pay said warrants out of such fund. The appropriation herein made is in addition to the appropriation directed to be made in paragraph 2815, Revised Statutes of Arizona, 1913, Civil Code."

Per Capita Distribution of State School Funds of Two Years Compared With Appropriations

The total amount of state school funds apportioned among the counties for the fiscal year of 1918-1919 was \$332,787.40. This was at the rate of \$11.30 per pupil of the census for that year. Outside of accumulations to the state common school fund, the tax-levy appropriations for that year were only \$750,000.00. If the provisions of the 1919 laws which are quoted above mean as they read, then the legislature has appropriated a total of \$875,000.00 to be raised by tax levy for that same fund, this amount would mean a provision of \$11.11 per pupil for each of the number shown by the school census under which the 1919-1920 apportionment is made.

In addition to the amount—\$875,000.00—to be raised by tax levy, there has already been received \$58,775.83 from the United States on account of returns from forest reserve sales from school section lands in the public lands under government control in Arizona. There are other amounts which come from rentals of state school lands; interest on sale contracts from sales of

state school lands, and the like, (no figures are available to show exact amount of latter) but these amounts will aggregate over \$75,000.00 per year; or, taking the appropriations to be met by tax-levy, and adding thereto other sources of revenue to and for the common school fund of the state, the total of that fund will be over \$1,008,775.00 for the present fiscal year.

Out of the \$1,008,775.00 will come the administration expenses of the state board of education, the office of the state superintendent, and cost of text-books. These expenses during past years have been under fifty thousand dollars per year. With that amount of expenses deducted from funds which the legislature intended to be available, there should be an apportionment of over \$12.20 per census pupil for the present year as against \$11.30 apportioned for the past year.

Due to uncertainty as to the meaning of the law, there may be some confusion in the matter of funds actually apportioned to the various counties. This article is not intended to be one to anticipate the final results as to how many dollars will finally be distributed to the schools, only intending to give our readers a fair statement of facts which bear upon the question.

Two Kinds of Criticism

(California Taxpayers' Journal)

There are two kinds of criticism to which men in public office are subjected. The one arises out of mere personal antagonism and is directed against the person of the official; the other grows out of differences of opinion on public questions and is directed against the conduct of the official. The first kind of criticism may properly be resented by any man in public life, for it contributes nothing to the better administration of public affairs; but the second kind should never be resented. If any man has an idea which he sincerely believes to be for the public good, he should be left entirely free to express it publicly, even if in so doing the conduct or policy of some public official must be censured. This kind of Criticism, in fact, should be welcomed, for it may point the way to progress.

In an autocracy criticism may be silenced by resort to arbitrary power, by suppression of freedom of speech, freedom of press and freedom of assembly; but in a democracy criticism can be met only by removing the cause or by demonstrating in open discussion that the critic is wrong.—"Citizens' Business" Philadelphia.

ILLINOIS AS ARIZONA HAS SOME ROAD PROBLEMS

Constantly Increased Costs of Labor and

Supplies Presents a Dilemma, Connected with Bond Issues and Appropriations

The question of carrying out plans under road bond issues and public bond issues and similar enterprises involves the question of increased costs of labor and material as those costs have increased in fact, pending the time between planning a public project, making specifications, ascertaining the necessary amount of funds and voting the bonds. The officials in many parts of the country find themselves with funds on hand facing a public expecting a certain amount of improvement for the use of those funds and finding it impossible to give the expected result within the limits of the funds provided.

The city, county and state officials in Arizona are finding similar problems. There is printed below an extract from the Chicago Tribune of March 11, 1920, which shows the result of action by the department of public works and buildings in the State of Illinois.

The article in full is as follows:

"All bids received this year by the department of public works and buildings for the improvement of roads will be rejected, with the exception of the section north of Chillicothe on the Federal Aid system, and the sections connecting the Dixie highway and the National Old Trails road. These sections total thirty-nine miles in length.

Abandonment of the 1920 road building program was announced definitely today following a conference between Frank I. Bennett, director of the public works department of highways; Thomas G. Vennum, assistant director; S. E. Bradt, superintendent of highways, and Clifford Older, chief highway engineer.

No roads will be built that involve the sale of any state bonds, the entire plan of building 1,100 miles of road this year under the \$60,000,000 bond issue plan having been abandoned. The thirty-nine miles to be constructed will be built with the aid of federal funds.

In a statement, the state officials attribute the failure of the 1920 program to the high bids, the car shortage and the financial situation.

Regarding prices the statement says "The bids opened by us on Feb. 11, at

Thrift

In the rush of the present commercialized world filled as it now is with millions anxious to reach the goal of their ambition, there still remains a few of those conservatives as to whom the old ideas of thrift and economy is the guide to their daily actions.

To that latter class the mental query is often before them as to what has become of those "old fashioned" ideas of planning for the future which included the old saying, "of lay up something for a rainy day", as contrasted with its extreme opposite of "spend as you go."

During the past war, saving of the resources of the people was an extreme necessity. For a short period the people did revert to those old ideas of making the best of what they had, and the result was that billions of dollars of bonds were bought and paid for by people, many of whom prior thereto had never saved a dollar. Today, following the drain upon available supplies due to the war, the country is facing a shortage. Today, more than ever before it devolves upon our people, one and all, to dig in and make up that shortage, and continue to do so until again there is a visible supply of all necessities at least a little in excess of every day consumption.

The full bins, the full cellars, and a little in the savings account, was the "thrift" as practiced by our forefathers and was what brought our country into the prominence which she has. Let us all think well of that cause and its effect, and consider just how far we of the present have drifted, and whether a return to a practice of old fashioned "thrift" might not have some beneficial effect in solving the present problems styled under the head of "high cost of living."

Delinquent Taxes

(Continued from Page Three)

delinquent, with that amount appearing at \$297,096.48; while Apache county seems to be the closest collector of taxes, there being only \$8,563.48 delinquent upon the rolls of that county.

If a closer analysis of the matter were made, it would disclose the fact that the

apparently large amounts shown as delinquent in several of the counties, are so shown, not because of the number of taxpayers who do not pay taxes, but because of large amounts of unpaid taxes delinquent for reason of contests involving large assessments. Illustrating which the "Baca Float" cases in Santa Cruz county, the "unpatented land" cases in Maricopa county, and the like.

The total amount delinquent, will when collected, be apportioned as between the state and counties, in the same proportion that the annual tax rates of each respective year bears to each other. That is, the total county rate in each county for a given year as compared with the state rate for that same year.

The fact that \$954,557.16 is the total amount delinquent for the whole state does not mean that public activities have actually suffered for reason of that delinquency. At least not in all of the counties. If the taxes were not collected in one year, additional taxes have been levied in the next year to take up outstanding registered warrants. To do this, the ten per cent limit has been exceeded in some of the counties, but county debts have thus been paid or substantially reduced. In state finances, the legislature has made appropriations to cover "deficits" in state funds, and these deficits have become items in the tax levies of the next year.

Thus it will be fair to state, that if the entire amount of taxes delinquent in the state were paid in, the larger part of that payment would become surplus funds so far as present estimates and needs for expenditures are concerned. Would be surplus to the extent that the payment would increase the amounts now estimated as being available for different public purposes, by the amounts so paid in, and when paid in, distributed to the various funds and purposes for which those taxes were originally levied.

aged \$42,000 a mile for about sixty miles; the bids opened on Feb. 25, averaged in excess of \$47,000 a mile for more than ninety-eight miles; the bids opened on March 3, averaged \$44,000 a mile for about sixty miles. On many of the sections we received only one bid, thus showing that competition does not in any way regulate the prices.'

In order to let any large amount of contracts it would be necessary to sell bonds, the highway officials said, and they say it would be impossible to dispose of them at the present time without discount of \$6 or \$7 per hundred. This discount, they say, would mean an addition of \$2,500 for each mile of road and serve to increase the cost."

Questions and Answers

What value of property should be used by the county assessor in making up the assessment roll for taxation purposes?

The provisions of the state tax laws are plain in their answer to above question, and those provisions are: "It shall be the duty of the county assessor to prepare an assessment roll *** in which shall be listed or assessed all the real and personal property within the limits of the county, in which shall be set down . . . the full cash value of real estate and improvements thereon. The full cash value of all improvements on real estate where the same is assessed to a person, firm, association, company or corporation, other than the owner of such real estate. The full cash value of all personal property taxable to each person, firm, association, company or corporation." These provisions leave no doubt as to the values to be used, i. e., the real cash value of all property to be assessed by the county assessor.

STATE TAX COMMISSION OF ARIZONA Statement of Delinquent Taxes as of January 5, 1920

County	1915	1916	1917	1918	First Installment 1919	Total
Apache	\$ 171.63	\$ 295.92	\$ 1,207.14	\$ 1,712.33	\$ 5,176.46	\$ 8,563.48
Cochise	7,470.50	7,986.94	12,336.44	29,313.24	38,272.34	95,379.46
Coconino	870.18	756.66	5,562.00	15,909.37	16,687.31	39,685.52
Gila	1,061.62	2,037.80	3,294.18	19,780.68	25,184.40	51,358.68
Graham	1,448.53	4,968.49	12,650.06	27,527.07	14,790.64	61,384.79
Greenlee	902.20	507.56	2,637.50	5,755.86	16,649.38	26,452.50
Maricopa	9,720.23	16,102.46	34,710.05	121,844.00	*114,719.74	297,096.48
Mohave	208.60	1,257.51	4,451.33	4,803.11	13,064.06	23,784.61
Navajo	1,562.85	1,848.91	4,311.98	15,524.58	13,439.97	36,688.29
Pima	1,097.67	1,965.80	18,475.96	20,105.55	36,714.21	78,359.19
Pinal	1,229.26	896.30	1,192.90	13,616.37	11,998.17	28,933.00
Santa Cruz	25,783.83	27,636.90	15,453.58	17,636.01	26,929.13	113,439.45
Yavapai	3,736.73	4,710.34	8,894.83	12,810.21	31,429.86	61,581.97
Yuma	859.79	3,610.19	2,845.43	8,418.26	16,116.07	31,849.74
Total	\$56,123.62	\$74,581.78	\$127,923.38	\$314,756.64	\$381,171.74	\$954,557.16

*Estimated by County Treasurer

Report of Senator C. C. Green, President State Taxpayers' Association

Annual Meeting, March 8, 1920

Members of the State Taxpayers' Association of Arizona:

We have met here today with an organization six years old—not an experiment, but a real live factor growing every day in strength and importance, and steadily increasing its influence for good in this State. We have every reason to be proud of the result of our efforts, and proud of the loyal support given us by the taxpayers of this State, as well as that of most State and County officials. Of course, there are some who endeavor to discourage our efforts and belittle our importance, but these are very, very few, and the fact that some people don't like us only proves our influence is being felt.

Throughout the year much has been accomplished by our Legal Department, and a report from this department will be submitted to you today.

It is my earnest desire that the Taxpayers' Magazine shall so educate and inform its thousands of readers, that every vote cast at the next election shall be for men who with the best interests of ALL the people of Arizona at heart, rather than the HOBBY riders as some of our legislators have been. The Legislature is not the place to realize little personal ambitions, which when given the form of laws work only harm to the community and the State at large. We are not living to spite John Jones, or to show someone else that we CAN have such and such a law passed whether he likes it or not, or to see how absurdly ridiculous a petition we can circulate. We are living, Brother Taxpayers of Arizona, to build a state that shall not be the laughing stock of her sister states, but shall be honored and respected by them.

We must not adopt every freak of legislation that comes to our notice. We must not take up things that have proven failures in other states. Let us rather copy the safe, sane laws of older states and profit by their experiences. Experiments are ALWAYS COSTLY, and many times failures. Each one of us has his work to do, but while we are doing our part let us consider our neighbor and let us remember that he too has the inalienable right "to life, liberty and the pursuit of happiness." Being a member of the legislature of Arizona I feel free to speak of that branch of the State Government as I do.

The subject of Taxation is exciting the keenest interest all over these United States and its study is most interesting.

Our State Taxpayers' Association has grown to be one of the most effective in the Country, being specially mentioned for its good work at various times by the National Tax Association. We are always willing to help others in any way we can, and are very much gratified at the long list of Taxpayers who have asked us for assistance; among such being college professors, school teachers, business men, school boards, and many women, all property owners, interested in the tax laws of the State.

We have published over a million copies of the Taxpayers' Magazine and

have sent out thousands of circular letters. We have had volunteer representatives at most every gathering of any importance where public expenditures have been discussed.

Among our most loyal friends and supporters are the farmers, who nobly do their part in building the state and who share the burden of taxation.

Our Auditing department has accomplished a great deal during the past year, as shown by its report. There is much to be accomplished by this branch of the Association this year for with increasing tax burdens comes greater need of scrutiny of public expenditures.

We cannot accomplish the results we desire without the co-operation of the good people who have the best interests of the state at heart. The people cannot learn of existing conditions and the method by which such conditions can be remedied unless they are informed by our Organization through our Magazine. We have a great work before us. We must be patient and apply ourselves unceasingly. I have great

faith in this Organization and believe that this coming year will be an epoch making one in the history of Arizona, and that we will see many greatly desired results from the earnest efforts we have made during this past year.

As your president during the past year, I desire to thank each and every member of this organization for their loyalty and especially do I extend my sincere thanks to the members of the Executive Committee, the Board of Trustees and all the officers of the Association, who at all times have given me the most loyal support. It has been a source of gratification to me to be at the head of this Association and endeavor to work along the lines of its policy. We are working for economy in the expenditures of public moneys and I am confident that success will be achieved.

Again I thank you all for your co-operation.

Very respectfully yours,
C. C. GREEN



SENATOR CHARLES C. GREEN

1c. Paid
Phoenix, Ariz.
Permit No. 18

ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME SEVEN

PHOENIX, ARIZONA, APRIL, 1920

NUMBER FOUR

TOTAL ASSESSED VALUATION OF STOCKS OF MERCHANDISE IN ARIZONA, AND PERCENT- TAGE OF TOTAL STATE VALUATION SINCE STATEHOOD

Year	Total Valuation	Percentage of Total State Valuation
1913	\$ 9,829,984.66	2.6
1914	11,974,720.81	2.9
1915	11,394,300.43	2.7
1916	12,230,767.31	2.5
1917	15,668,997.65	2.2
1918	22,297,475.02	2.66
1919	23,014,263.38	2.67

The above valuations show that the merchandising business of the state has consistently maintained its proportionate place when compared with that of the values of all taxable property

EDITORIAL COMMENT

THE BUDGET SYSTEM AND EMERGENCY EXPENDITURES

The trend of public sentiment is towards a budget system that will operate and control the use and expenditure of all public funds. Of necessity that system to be effective as against the old idea of bunching diverse and sundry expenditures under the head of "miscellaneous expenditures" and find warrant for so doing under appropriations either open and indefinite as to amount, or, if definite as to amount, appropriated for "expenses" without detail as to what those expenses are to be, must be a system which will provide for specific appropriations to cover salary lists, currently recurring incidental expenses of every office, such as supplies, stationery, postage and the like, and with a definitely named amount to cover what are, or may be "contingent" items for expenditure.

In Arizona at the origin of its organization as a state, with new departments created for state activities, new fields to be covered in performing its governmental functions as a state, it may have been true, that the first legislature was dealing with problems as to the cost of it all to the public of the new state. Thus at this time there may have been a fair excuse for incorporating into the laws of the state those clauses which refer to several of the state departments, and appropriate "so much as may be necessary to give effect to this act," as was then done in many instances. That is, open, continuing appropriations, may have been necessary at that time. But as connected with the "budget system" idea are such "continuing" open appropriations of "so much as may be necessary" matters which should still be urged against an effective budget system. There are still active exponents of the "open appropriation" idea, who still assert that the activities of the state may not be properly conducted, unless the agencies of the state have "a free hand", as to matters, and as to all matters to be handled for the public by them. They urge that contingencies may arise which call for expenditures, and if the funds are limited in amount these contingencies cannot be properly handled. Is this true as of the present time? If it is true, then the budget system idea is unsound, is a system which will not be one to be

applied to practical financial problems in government. If that is true, then the idea of appropriating amounts for expenditure in advance of the actual expenditure of any public funds whatever, is erroneous and impracticable. The entire system should be revised so that, when the actual cost of maintaining public institutions of and for a fiscal year has first been ascertained according to the unlimited ideas of heads of those institutions as to real activities to be by them attempted in the interest of the public, the aggregate of those expenses and expenditures actually made would become the amount to be provided for in taxes and in other sources of revenue for the next year. In other words, find out what the cost has been and then raise the money to pay the cost. No extremist, however much opposed to a "budget system" would advocate such a reversion of policy as above referred to.

Will a Budget System Cover Real Emergency Needs for Money?

The only real objection to a budget system is found in the assertion that "no funds will be available for emergencies". The words "contingency" and "emergency" are too often confused as meaning the same thing. A frequently recurring subject of expenditure, one that when it does occur involves uncertainties may be a "contingent" subject as connected with the amount actually necessary to meet its required cost. But contingent expenses in the long run average about the same in amount, one year with another, and as to such as a designated class of appropriations or expenditure, can be amply covered by a distinctly specific sum appropriated, to cover just such "odds and ends" and, just such "indefinitely circumstanced" items, which in the aggregate are actually and strictly "contingent" items of expenditure. There are, however, real "emergencies" which no foresight can anticipate. A fire may destroy a public building. Unprecedented acts of floods, may destroy dams, bridges, and highways. So-called "Acts of God", may result in such general disaster to the property of the state, or to the lives or property of citizens of the state, that no legislative foresight can anticipate the

amount which will be necessary for an immediate use toward relief. In brief such matters are real emergencies, as distinguished from contingencies, as those terms are referred to in language applied to budget systems.

Certainty as to Actual Funds Needed May Be Derived From Actual Experience Since Statehood

With over eight years of actual experience as to the actual cost of successfully operating the several departments, institutions, and offices in Arizona, with that experience gained under the "open appropriation system" at first inaugurated with those offices, departments and institutions; with that record to go by, should it be truly urged that the legislature of this state, cannot specifically appropriate amounts which will be ample to cover all fixed current cost, to cover also all "contingent" cost, and leave only the matter of "emergency" indefinite as a matter of strict appropriation.

The last legislature went into the matter of budget law. It is being tried out. The law includes what is known as "Senate Bill 90". The latter bill has been a source of much discussion among the officers and departments. Can they work under a budget system with the strictness required by application of that bill? A partial answer comes from a reading of the law, and particularly section five thereof, which provides as follows:—

"All balances which may be available in the general fund after distributing credits herein for the purposes and in manner required in Section two (2) of this act, shall be and become available for use as credits to an emergency fund for state purposes, to the extent of use which may be necessary to meet contingencies and emergencies as mentioned in this section. In the event of invasions, riots, or insurrections, epidemics of disease, acts of God which result in unforeseen damage or disaster to the works, buildings or property of the state of which menace the health, lives or property of any considerable number of the persons in any community of the State, and confined to contingencies as to

which no other funds are appropriated, or in event appropriations have been made for similar purposes of emergency then confined to amounts which may be necessary in addition to such appropriations to meet the real emergency in each case, the Governor of the State may authorize the incurring the liabilities and expenses to be paid from the emergency fund herein created.

Warrants shall be issued by the State Auditor to the amount of such liabilities and expenses, upon claims verified by the particular officer creating them when such verified claims are approved as to the purposes and amounts by the Governor. Such warrants shall be paid by the State Treasurer when emergency fund is sufficient for that purpose. Or in the cases of emergencies mentioned in this section, the Governor may authorize the contracting of debts against the

State to the extent of the actual necessity therefor, in excess of the amount of the emergency fund herein provided for, but not to exceed the sum of three hundred and fifty thousand (\$350,000.00) dollars of any such excess."

Our Budget Laws Have Covered A Public Emergency

That provisions were inserted in the law to cover "emergency" situations as indicated by its terms. Its working as a law, appears in connection with a recent proclamation of the Governor, authorizing the issuance of state warrants limited to \$45,000.00 for the one, and \$55,000.00 for the other, to repair and replace the Tempe Bridge and the approaches and Coldwater bridge. An unusual series of floods had damaged those public works to the extent that the Coldwater bridge was entirely destroyed, and the Tempe Bridge left, "swinging" with

the foundation of its main supports seriously damaged. Here was a case where all specific road funds of both state and county, had been encumbered with new road projects. No funds were immediately available from other sources. The bridges are of more than local importance. They are indispensable parts of the main highway across the state in two directions. The legislature had appropriated to build these bridges, the appropriation had been used, "an Act of God", destroyed the result. This seems to illustrate what is a real emergency. Except for the provisions of Senate Bill 90, the public of Arizona would have been obliged to worry along, and cross and ford the rivers as best they might. So it seems that the very first real test of the workings of the new budget system, has been one to give an answer to one of the most frequently urged objections. The system did meet an emergency situation.

Limits Upon The Powers of Supervisors as to Matters of Tax Levies

The subject of power in the boards to levy and collect taxes for county purposes is one as to which there still exists questions for discussion in view of court decisions which clear up some points that have been specifically raised in those cases, and which for reason of general phrases used by the court leave doubt as to whether those decisions are intended to cover and apply to other vital points in question under the statutes of this state enacted by the legislature and controlling, or at least intended to control the powers of boards of supervisors in the whole matter.

Introducing the matter of purposes for which taxes may be levied, the law speaks of taxes for school purposes, taxes for bond purposes including interest and principal upon county bonds, taxes for general county purposes, and taxes for other purposes. The 1913 Legislature enacted Chapter III of Title 49 of the Revised Statutes of Arizona, 1913, Civil Code, which seems to have for its purpose a restriction upon the powers of boards of supervisors, and which restriction is contained in the words:—"and upon the same property and upon the same valuation the board of supervisors of each county shall levy and collect for the same fiscal year, on an estimate, for county purposes, additional taxes for such purposes which together with other

sources of revenue, shall not, however, aggregate a total sum of money, exclusive of taxes for school purposes, ten per centum greater in amount than the total sum levied and collected for other than school purposes from all sources during the next year prior to that in which the levy is made."

The words above quoted appear in Paragraph 4839, which was amended in 1917, by changing the words: "exclusive of taxes for school purposes" to read: "exclusive of taxes for school and bond purposes". **Thus leaving whatever limit there may be in the law, still applying to all taxes levied in counties, except as to such taxes as may be properly levied for school purposes and bond purposes."**

Estimate to Cover All Purposes for Which Tax to Be Levied

Thus taxes are to be levied for all purposes "according to an estimate". That estimate, according to provisions of the tax law, is required to be made by the board of supervisors, and is a requirement:—

"To make estimates of the different amounts required to meet the public expense for the ensuing year, and to be raised by taxation in such county, city or town. Such estimates shall be fully itemized, showing under separate heads the amounts required for

each department, public office, and public official, for each public improvement, for the maintenance of each public building, structure, or institution, the salary of each public officer or employee, the maintenance of public highways, roads, streets and bridges, and the construction, operation, and maintenance of each public utility, and shall contain a full and complete disclosure and statement of the contemplated expenditures for the ensuing year, showing the amount proposed to be expended from each separate fund, and the total amount of public expense, and shall enter the same on the minutes of the board with the estimates of the previous year. Said statement shall also contain an estimate of the receipts for the previous year and ensuing year from sources other than direct property taxation, and the amounts proposed to be raised by taxation upon the real and personal property of such county."

Every purpose for which money is to be raised by taxation is a purpose which is, or evidently should be, one to be stated in that estimate of proposed expenditure. The amount intended to be used for every public expense of the county is also required to be stated.

(Continued on page Four)

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS' ASSOCIATION OF ARIZONA

Subscription April, 1920 50 Cents

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LIMITS UPON THE POWERS OF SUPERVISORS AS TO MATTERS OF TAX LEVIES.

(Continued from page Three)

There should be no room for differences of opinion as to the real purpose of the law requiring those estimates to be made and published. That real purpose is that the taxpayers and public generally, may be advised in advance of just the plans of their boards of supervisors for a coming year. That the public may know how much and for what purposes the public money is to be used. And finally that the same public may know in advance, just how much of that public money is to be raised by taxation, and how much is to be anticipated from other revenues. In other words, the evident intention of the legislature was to provide for and require a county budget for each fiscal year in the county business, and by fair implication to confine the expenditures of and for each year to the amounts in that budget and to the amount not exceeding the total of that budget.

Supervisors Must Find Authority to Contract in the Law Defining Powers

There is a provision in Paragraph 2431 of Revised Statutes which reads:—

"The board must not for any purpose contract debts or liabilities, except in pursuance to law, or under ordinances of their own, adopted in accordance with the powers herein conferred."

It is somewhat difficult to construe the effect of that provision with the provisions of Paragraph 5285, as the latter provision has been construed in a recent case decided by our Supreme Court and published in a previous issue of this Magazine, if the language used in that case is to be applied literally to and mean to say that boards of supervisors may create an indebtedness on account of the general current or running expenses of the county, and do so without limit as to purpose or amount, if again in so doing, the board still keeps within the limit that the total indebtedness does not exceed four per centum of the assessed valuation of the taxable property of the state. The Court in that case is dealing with the power of the board of supervisors to act without vote of the people, and issue bonds of the county to take up existing floating debts of Yuma county. That indebtedness has existed and been carried by that county since before statehood. It was not an indebtedness which arose current with the business of any fiscal year, exceeding the budget of that year in amount. If the language used in that case is confined to the subject under discussion, then it simply means that a county which has a floating indebtedness may change the form of that indebtedness from a form represented by "registered warrants" to the form of "county bonds" and do so under the express provisions of paragraph 5285, without other action than that by the board of supervisors, when the bonds so issued do not increase the total outstanding debt of the county over the limit of four per cent of the assessed valuation. Again, if the language of the court is to be construed otherwise than as above suggested, any county board at any time for any current or running expense of the county could absolutely disregard the provisions as to budgets, i. e. "the annual estimate of expenditures" above referred to, and with no limit as to amount, except the four per cent of the assessed valuation of the taxable property of the county, proceed to create debts in one year up to that limit, and having created that debt, issue bonds therefor. An extravagant board of supervisors might thus

exhaust the entire credit of the county, and do so regardless of any statement which it has made to the public as to what it proposed to do in its published estimate for a given fiscal year.

If Debts Are Created, Any Tax to Directly Pay Same Must Be within 10 Per Cent Limit

Whatever may be the real effect of the decision above referred to, and even though it may mean that boards of supervisors may create debts in excess of the amounts stated in annual estimates as to expenditures for all county purposes, there still remains unimpaired the ten per centum limit upon the amount of taxes which may be raised in one year as compared with the amount of taxes raised the previous year, which limit still applies to taxes for every purpose other than bond and school purposes. If a county board does create any debt in one year which cannot be paid from taxes and other sources of revenues of the county for that year, that debt may not be paid at all from tax-raised funds, except the amount to pay same is included in the estimate of taxes to be raised, and is in an aggregate amount not to exceed by ten per centum of taxes to be raised that year as compared with the amount raised by taxation for general county purposes and highway purposes in the previous year. If bonds have been properly issued, then the amount needed to pay interest on those bonds, and the amount required to meet installments upon the principal of those bonds is the only amount not still subject to the effect of the ten per centum limit.

In construing the intended effect of the law which makes the ten per centum limit, the Supreme Court did say that the purpose of that law was to protect the taxpaying public, to the end that the taxes for general county purposes of one year should not exceed by ten per centum the amount by taxation for those purposes in the previous year. Public officials in several of the counties have questioned the plain meaning of that plain expression of limitation upon their taxing powers. This article is not intended to criticize the decision of the court in the case where power to issue bonds was the sole question in issue. The article is intended to call attention to the fact, that public officials should not too quickly proceed to adopt language which may under one interpretation thereof enlarge their powers to create public debts, and at the same time reject language of other cases which restrict their powers. If the language of the one line of cases—those which limit

the powers of the board—need further construing light, then it is only fair to suggest that the other case may be subject to more consideration by that same court.

If Power to Create Debts is in Doubt, Public Should Have Benefit Against Its Existence

It is only fair that the public may know that a large majority of the boards of supervisors of the counties of this state have construed their power of action to be against the existence of a power to run their counties in debt. It is only the minority of boards which seem inclined to do things which require public funds, regardless of present available money to pay for what is done.

It is only as to the latter class, that the matters referred to in this article become of public interest. As to that class, however, the question of their actual powers to create county debts regardless of estimates and regardless of limits upon taxing powers to produce funds to pay those debts, is a question which raises a vital point pertaining to county finances. A question of such vital importance that it should not be considered as definitely settled until in some case where that question is directly involved, the courts have directly decided it. When such a case does arise, and the decision follows, then, if the present laws upon the whole subject are not so construed as to meet the intention of the legislature as to powers which it intend for

boards of supervisors, that body by amendment can more plainly express its real intention.

It is easier to create a debt than it is to pay it. Good business principles would seem to forbid action creating debts in the absence of power to provide for payment of those debts. The real question here raised is as to whether our laws in their present meaning follow the lines of good business, or whether they do not. In safety to all it should be assumed that they intend to follow those principles, until all doubts are removed to the effect that they do not so intend. In case of doubt, public officials will do well to follow the rule of "safety first", before entering upon a course of unlimited expenditure of public funds.

As to When Taxpayers May Be Heard as to Valuation of Their Property For Taxation

A great many taxpayers pay no attention to matters involving the listing, assessment, and taxation of their individual properties until they appear in the tax-collector's office to pay their taxes. It is then if at all with such persons, that any real or supposed grievance is poured into the ears of that officer. All that he can do is to tell them frankly that he can do nothing for them and that is true. The time when taxpayers do have a chance to go into every matter is first when they report their property to the assessor, second when the board of supervisors are in session as a board of equalization, third when the State Board of Equalization is in session. For the benefit of persons who may not be advised upon their rights and of the time and manner in which they may be heard, extracts from the revenue law of this state are given at this time.

Owner Must List His Property for Taxation

In the first place every property owner is called upon to make a list of his property by the provisions of Paragraph 61, Revised Statutes, 1913, Civil Code, which reads as follows:—

"It shall be the duty of every person under his control, property in this state, subject to taxation, as in this act provided, to make out and deliver to the assessor, on or before the twentieth day of May in each year, a correct list of the aforesaid property as required by law, whether he shall receive from the assessor a notice or de-

mand to do so or not; but, the said list must be made out and delivered to the assessor within ten days of service of blank forms for same. Every assessment made against property subject to taxation, shall be valid whether such notice or demand was received or not."

There are penalties attached to failure or refusal to make the above lists, as covered by paragraph 4863, reading as follows:—

"If any person shall give the assessor a false name, or fail or refuse to give his name, or shall fail or refuse to give a list of property as by this act required, or shall fail or refuse to swear to or affirm to such list, he shall be guilty of a misdemeanor, and shall be arrested upon complaint of the assessor, . . . and upon conviction, he shall be punished by a fine of not less than ten nor more than two hundred dollars, or by imprisonment in the county jail for not less than two days, nor more than three months, or by both fine and imprisonment."

It might surprise some of our property owners, if the county tax-collector instead of politely informing persons that he could "do nothing for them" in answer to their complaints as to claims of incorrect listing of their property, that officer called up the question of whether the complainer had filed his list of property, and finding to the contrary, let the above law "take its course", by reporting the fact to the county assessor. No instance of that kind has come to light, yet the above is the law with a

possibility in its language that just such an instance might happen.

Owner May Appear Before Board and Be Heard as to Values and Other Matters

Having listed his property under above provisions, and after the assessor has prepared a proposed tax roll and placed valuations thereon, then the taxpayer has a further chance to be heard as to mistakes in property listed, or as to values so proposed by the assessor. Just how he may be heard, and when, appears in the following:—

"4878. The board of supervisors of the county shall constitute a board of equalization, of which board the clerk of the board of supervisors shall be clerk."

"4880. The board of equalization shall meet, on the first day of June of each year, and shall continue in session from time to time until the business of equalization is completed; provided, however, that it shall not sit at its June meeting after the tenth day of June, at which time it shall adjourn to meet on the first Monday in July following, at which meeting said board shall determine whether or not the raises and increases in assessments proposed at their June meeting shall stand."

If the taxpayer bears in mind the dates and times of above meetings and attends to matters which affect his property, he may then get such relief as he may be entitled through actions of the

(Continued on page seven)

State Treasurer's Annual Report of Receipts and Disbursements For Fiscal Year, July 1, 1918 to June 30, 1919

The several financial departments of the state have not as yet published in book form reports for the fiscal year ending June 30, 1919. There is given herewith a report of the State Treasurer which was made up by that officer and published, but without any explanatory comments. Until further reports are available, the magazine cannot make comparative comments as between the figures printed below and financial figures of former years.

The report as published shows that the State Treasurer has opened several new accounts, and has done so by detailing under separate heads, items of income, which heretofore have been put under one general head. For illustration, under "Sale of Lands", the latter report shows the proceeds derived from sales to be credited to each land grant fund, instead of one credit showing total sales from all grants. The same mode has been adopted in handling the rentals from state lands. As now presented

by the report, the public is informed as to the accumulations to the individual institutional funds—permanent funds—the income from which is to be applied towards their support. The public is also informed as to the individual institutional land rentals, which should be used for the current support of those institutions. If the report had likewise separated the item headed "Interest", by showing what institutional permanent land funds were earning interest, and which interest is also for current support of the several institutions benefitted by the land grant, each distinct from all others, then the public would know exactly how far the burden of taxes might be lessened due to such revenues for support of state institutions. As it is, the report shows an aggregate interest earning amounting to \$68,646.71 for the year.

The report shows \$136,673.06 remaining in the permanent school fund as "rentals". A question is pending for

decision as to whether that amount is to be added to the amounts taxed for common school purposes, or whether it is not appropriated at all. The solution of that question will either increase or decrease that fund by that amount. That question has been commented upon by this Magazine in previous issues, and it refrains from further opinion at this time.

The report shows \$155,467.06 in the County Bond Fund. This pertains to the 1,000,000 acre land grant to take care of bonds of four counties. The question as to when and how these funds are to be used is still unsettled. This Magazine has taken the position that the intent of the law was to pay interest and retire those bonds solely from the fund provided, and do so without taxing the counties, except for possible deficiencies. Pending official adjustment the funds remain intact.

The report follows:—

FUNDS	Balance July 1, 1918	Receipts	Apportionment of Taxes	TOTAL	Expenditures	Balance June 30, 1919
General	\$ 188,640.80	\$ 391,319.59	\$ 587,940.85	\$1,167,901.24	\$1,152,216.63	\$... 15,684.61
Agricultural College		50,000.00		50,000.00	50,000.00	
Apairy Inspection	15.00	1,989.84		2,004.84	737.34	1,267.50
Asylum for Insane, Mtc.	108.07	50,882.59	78,981.78	129,972.44	129,968.82	3.62
Asylum for Insane, Bldg.	5,564.90	10,121.84	6,557.38	22,244.12	21,601.40	642.72
Asylum for Insane, Farm	27,993.64	3,662.43	1,010.46	32,666.53	32,108.72	557.81
Asylum for Insane, Impr.	3,012.80	1,054.37	8,938.75	13,005.92	11,299.28	1,706.64
Asylum for Insane, Interest	64.40		856.29	920.69	975.00	54.31★
Asylum for Insane, Sewerage	257.85	9.48		267.33	267.33	
Bureau of Mines	30.04	.85	21,921.09	21,951.98	21,807.89	144.09
Capitol Building, New Addition	107,162.58	54,040.92	2,346.75	163,550.25	152,820.50	10,729.75
Capitol, Interest	2,376.56		4,398.30	6,765.86	7,350.00	584.14★
County Scholarship	901.94			901.94	901.94	
Date Palm Orchard	24.22		2,338.03	2,263.25	2,237.95	124.30
Date Palm Orchard & Hort. Sta.	9.43		2,765.55	2,774.98	2,758.10	16.88
Dry Farm	45.46		2,623.42	2,668.88	2,605.85	63.03
Free Employment Office	535.52	78.85	2,166.75	2,781.12	2,751.49	29.63
Inheritance Tax	5,000.00	20,722.38		25,722.38	20,983.58	4,738.80
INSTITUTIONAL LAND GRANTS:						
Sale of Lands:						
University	71.75	11,601.14		11,672.89	8,000.00	3,672.89
Legislative, Executive and Judicial Bldg.		9,681.38		10,343.06	6,250.00	4,093.06
Penitentiary	661.68	6,537.78		7,861.55	5,900.00	1,961.55
Asylum for Insane	1,323.77	8,012.31		10,192.03	6,775.00	3,417.03
School & Asylum for Deaf, Dumb and Blind	2,179.72					
Miners' Hospital for Disabled Miners	1,619.77	5,045.26		6,665.03	5,500.00	1,165.03
Normal Schools	6,128.18	8,243.21		14,371.39	10,050.00	4,321.39
State Charitable, Penal and Reformatory Institutions	58.50	1,510.88		1,569.38	800.00	769.38
Agricultural & Mechanical Colleges	1,093.97	1,191.57		2,285.54	1,675.00	610.54
School of Mines	5,977.39	4,122.15		10,099.54	7,750.00	2,349.54
Military Institutes	576.00	240.40		816.40		816.40
County Bonds	60,746.47	107,083.55		167,830.02	12,362.96	155,467.06
Rental of Lands:						
University	3,962.63	6,034.39		9,997.02	3,962.63	6,034.39
Legislative, Executive and Judicial Bldg.	1,632.45	1,857.03		3,489.48	1,632.45	1,857.03
Penitentiary	1,688.55	2,248.45		3,937.00	1,688.55	2,248.45
Asylum for Insane	1,439.45	2,447.38		3,886.83	1,439.45	2,447.38
School & Asylum for Deaf, Dumb and Blind	1,439.30	2,539.69		3,978.99	1,439.30	2,539.69
Miners' Hospital for Disabled Miners	2,166.58	1,287.75		3,454.33		3,454.33
Normal Schools	3,774.00	5,141.25		8,915.25	3,774.00	5,141.25

FUNDS	Balance July 1, 1918	Receipts	Apportionment of Taxes	Total	Expenditures	Balance June 30, 1919
State Charitable, Penal and Reformatory Institutions	1,832.25	2,206.40	.....	4,038.65	1,832.25	2,206.40
Agricultural & Mechanical Colleges	2,622.45	3,738.21	.....	6,360.66	2,622.45	3,738.21
School of Mines	3,190.40	4,282.90	.....	7,473.30	3,190.40	4,282.90
Military Institutes	6,359.45	3,053.45	.....	9,412.90	.....	9,412.90
County Bonds	46,795.69	24,360.65	.....	71,157.34	71,157.34	.....
Interest	39,133.32	68,646.71	28,846.31	136,626.34	122,443.65	14,182.69
Library	2,210.31	4,019.05	.....	6,229.36	2,880.94	3,348.42
License and Inspection	36,346.91	53,630.34	.....	89,977.25	72,052.33	17,924.92
Military	45,736.20	13,000.00	26,682.88	85,419.08	1,466.86	83,952.22
Nat'l Forest, School and Road	.....	92,586.32	.....	92,586.32	92,586.32	.....
Northern Arizona Dry Farm	4,852.64	.....	.....	4,852.64	4,852.64	.....
N. A. Normal School, Mtc.	5,125.68	46,196.30	69,721.18	121,043.16	116,222.91	4,820.25
N. A. Normal School, Bldg.	25,183.94	25,998.05	1,401.84	52,583.83	46,548.22	6,035.61
N. A. Normal School, Impr.	2,376.92	.....	2,168.00	4,544.92	448.94	4,095.98
Permanent School—Sales	57,805.91	241,150.80	.....	298,956.71	298,420.00	536.71
Permanent Schools—Rentals	76,320.97	136,673.06	.....	212,994.03	76,320.97	136,673.06
Pioneers' Home, Mtc.	7.90	10,883.24	15,763.35	26,654.49	26,563.35	91.14
Pioneers' Home, Impr.	3,500.97	2,395.31	912.13	6,808.41	6,803.03	5.38
Plant Introduction	497.38	.....	2,623.43	3,120.81	3,107.73	13.08
Prescott Dry Farm	303.09	.....	3,194.31	3,497.40	3,246.97	250.43
Prison, Maintenance	598.82	12,128.31	87,788.26	100,466.39	99,994.01	472.38
Prison, Improvement	684.53	.....	10,519.07	11,203.60	10,654.20	549.40
Prison Power Line Constr	19,597.92	.....	.....	19,597.92	19,597.92	.....
Prison, Farm	36,580.94	2,670.12	748.94	40,000.00	40,000.00	.....
Prison, Farm Equipment	9,127.43	1,872.78	186.87	11,187.08	10,669.34	517.74
Redemption, Ariz. 4 1/2 % Bonds	261,951.87	32,064.40	22,801.46	316,817.73	30.70	316,787.03
Redemption, St. Louis Expo. Bonds	17,164.95	.....	2,166.76	19,331.71	.....	19,331.71
Redemption, University Bonds	17,164.95	.....	2,166.76	19,331.71	.....	19,331.71
Salt River Valley Exp. Farm	1,570.92	9.00	8,750.62	10,330.54	10,314.44	16.10
State Fair, Maintenance	5,413.34	15,210.07	52,306.28	72,934.69	51,995.34	20,939.35
State Fair, Improvement	32.28	.....	.....	32.28	32.28	.....
State Game Protection	1,718.46	18,162.22	.....	19,880.68	18,601.19	1,279.49
State Industrial School, Mtc.	30.20	37,538.72	30,669.17	68,238.09	67,948.23	289.86
State Industrial School, Impr.	6,652.01	.....	8,750.62	15,402.63	15,337.25	65.38
State Land Administration	1.00	.....	.....	1.00	.....	1.00
State Land Class. & Appr.	37,623.94	21,595.64	.....	59,219.58	33,079.91	26,139.67
State Loan	18.74	841.45	.....	860.19	638.59	221.60
State Road Tax—General	193.90	360,449.09	234,668.76	595,311.75	540,771.49	54,540.26
STATE ROAD TAX—COUNTIES:						
Apache	6,141.90	.....	4,463.64	10,605.54	1,978.19	8,627.35
Cochise	48,280.70	506.00	124,667.70	173,454.40	117,470.68	55,983.72
Coconino	4.64	15,024.19	15,115.38	30,144.21	27,578.73	2,565.48
Gila	1.03	16,124.32	56,895.34	73,020.69	71,007.56	2,013.13
Graham	9,650.76	.....	9,093.85	18,744.61	7,304.12	11,440.49
Greenlee	16,231.08	52.50	33,098.83	49,382.41	29,918.40	19,464.01
Maricopa	34,016.32	13,541.04	69,959.00	117,516.36	113,186.41	4,329.95
Mohave	64.57	2,341.76	16,552.36	18,958.69	17,231.74	1,726.95
Navajo	6,546.74	137.60	7,521.31	14,205.65	12,457.72	1,747.93
Pima	567.20	10,776.60	44,660.03	55,903.83	37,023.04	18,880.79
Pinal	34,415.93	8,939.01	45,877.60	89,232.54	86,770.63	2,461.91
Santa Cruz	2,624.09	7,919.19	97,336.07	170,894.33	82,795.01	88,099.32
Yavapai	72,909.80	648.53	13,095.38	13,481.93	2,241.01	11,240.98
Yuma	228.16	158.45	660,173.93	1,023,464.93	1,022,294.29	1,350.64
State School	225,210.34	138,260.66	19.44	816.73	816.73	149.56
State Smelt. & Sampl. Wks.	797.29	.....	3,194.32	4,231.98	4,032.42	393.19
Thatcher Springs Vy. Dry Farm	1,037.66	.....	2,623.42	2,694.55	2,301.36	393.19
Surface Water Investigation	71.13	40,555.23	96,537.64	137,136.49	136,715.93	393.19
Tempe Normal School, Mtc.	43.62	40,555.23	96,537.64	137,136.49	136,715.93	393.19
Tempe Normal School, Bldg.	458.33	7,519.95	933.81	8,914.09	5,343.79	3,570.30
Tempe Normal School, Impr.	7.34	8,433.86	11,440.46	19,881.66	19,862.15	19.51
Tempe Normal School, Gr. Impr.	820.02	.....	2,195.07	3,015.09	600.39	2,414.70
Transient Herd Tax	478.68	4,603.65	.....	5,082.33	5,032.33	.....
Unapportioned Taxes	1,000.00	.....	.....	1,000.00	1,000.00	.....
University of Ariz., Mtc.	52,603.67	18,122.17	131,273.53	201,973.40	201,271.57	707.83
University of Ariz., Pldg.	89,107.46	45,126.18	1,867.81	136,101.45	68,121.91	67,979.54
University of Ariz., Impr.	3,037.88	23.10	35,037.19	38,168.17	33,011.90	156.27
of A. Central Heat & Power Plant	313.78	1,272.00	.....	1,585.78	1,585.78	.....
of A. Co-op. Agri. Ext.	469.25	.....	5,218.38	5,687.63	5,480.85	206.78
of A. Extension	361.80	.....	5,245.59	5,607.39	4,775.57	831.82
of A. Min. & Eng. Bldg.	3,726.89	.....	.....	3,726.89	3,717.06	9.83
of A. Printing	1,791.52	.....	5,245.58	7,037.10	4,319.79	2,717.31
of A. Interest—Par. 3663	270.26	.....	1,073.33	1,353.59	1,250.00	103.59
of A. Int., Act 47—1903	97.51	.....	512.51	610.02	400.00	210.02
of A. Farm Mtc.	14.80	.....	10,375.72	10,390.52	10,366.24	24.28
of A. Farm Impr.	309.92	2.75	2,023.37	2,336.04	2,321.92	14.12
University Timber Act.	2,250.42	61,934.42	.....	64,184.84	38,331.71	25,853.13
Underflow Water Investigation	1,955.42	.....	2,109.63	4,065.05	2,890.02	1,175.03
Water Duty Investigation	1.47	14.44	.....	15.91	.....	.....
Yuma Horticultural Station	38.34	7.50	.....	45.84	45.48	.....
TOTAL	\$1,832,576.65	\$2,398,197.21	\$2,858,941.79	\$7,089,715.65	\$5,763,454.73	\$1,329,260.92

As to When Taxpayer May Be Heard
As to Valuation of Their Property
For Taxation

(Continued from page five)

ward. Space will not permit the publication in full of the provisions of Paragraph 4887 of the statutes. In part it reads:—

"Any person, firm or corporation, dissatisfied with the amount of his, their, or its assessment as fixed by the board of equalization, may appeal from the action of said board to the superior court of the county in which it holds its sessions, on or before the fifteenth day of September following the adjournment of the board."

The conditions upon which an appeal is allowed require the filing of a written protest, require the payment of taxes according to the assessment as made. It not being the purpose of this article to advise its readers how to pursue their remedy, but only to suggest to such readers the fact that such a remedy is provided, the details as to matters of

such appeals are omitted. It may be added, however, that the law further provides:

"4885. The decision of the board as to whether the assessed valuation of any property shall be increased, and if so, to what amount, shall be final, as to their determination only, and shall not thereafter be questioned by any taxpayer in any proceeding involving the amount of taxes legally and equitably due on said property, unless an appeal is taken as hereinafter provided."

Without going into court, a taxpayer may take his case to the State Tax Commission, as, among the powers of that commission given it by paragraph 4829

section 14, it has power:—

"To require any county board of equalization, at any time after its adjournment, to re-convene and make such orders as the state tax commission shall determine are just and necessary, and to direct and order such board of equalization to raise or lower the valuation of any property, real or personal, of any firm, company, or corporation; . . . to the end that all property, shall be valued and assessed equitably and to the same extent as any and all other property, real or personal, is required to be listed for taxation."

It being the express purport and intent of our system of tax laws that all

property be assessed at its true cash value. The legislature having amply provided for hearings before the county board of equalization, and for supervision of the acts of that board by the State Tax Commission, every taxpayer has full opportunity to be heard upon all questions involved in any entry upon any tax roll in this state. If taxpayers fail to avail themselves of their opportunities in that direction, by not acting at the times for such action, then they have no one to blame but themselves. When tax-payment time comes it is too late for any changes to be made. And this important fact should be borne in mind by every taxpayer.

Handling of State Land Funds For Income Purposes

With nearly all of the lands which were donated by Congress to Arizona, some 2,500,000 acres selected, the question of an income from these lands that the intended support to the various institutions for which the lands were granted may be realized, is one upon which many differ. The funds from sales of these lands must be kept intact as a permanent trust fund. This means that just as fast as the lands are sold there may be three classes of money realized from the sales. The expenses of the sale, the principal of the sale, or if sold on the payment plan, part principal and part unpaid purchase, the latter drawing interest. Or, the lands may be leased, in which case the rent falls in the same class with interest.

Out of the permanent funds realized from sales, some loans have been made to private persons, in fact loans numbering up to 393, to the aggregate amount of \$1,012,776.00 has been loaned in this manner. These loans draw six per cent interest, and are secured by first mortgages upon real estate, which mortgages run for a period of not less than five years nor exceeding fifteen years, with provisos that the loans may be paid at any time upon payment of three months interest in addition to all other interest due up to date of payment. No part of the principal sum is due inside of five years, but each year thereafter such part of the principal is due, as will when paid annually each remaining year during the life of the loan fully pay same at maturity. For example, if a five thousand dollar loan was made to run the full fifteen years, five hundred would be due at the end of the sixth year, and five hundred at the end of each year of the remaining nine years. If the loan were for a ten year period, a first pay of one thousand dollars will be due at the end of six years, and a similar payment each year for four years thereafter. Adding the interest, annually to the payments on the principal. The mort-

gage laws of the state are made to apply to these state loans. In event of foreclosure, the lands become the property of the state, and the state land commissioner again administers the lands for the benefit of the same fund from which the loan was originally made. The interest goes to the credit of funds appropriated for the particular institution whose trust land funds are loaned in the particular mortgages, and under recent rulings of the departments, is subject to use for the current support of those institutions. The same rule applies to land rentals that applies to interest.

The question is sometimes asked as to how and when a loan of the funds referred to may be obtained. The law provides that all applications for loans on farm lands shall be made on blank forms prepared and furnished by the state treasurer. It requires the application to contain the sworn statement of three disinterested owners of lands situated within the county with the lands upon which the loan is requested. The persons must set forth in their statement an estimate of the actual cash value of the land offered, together with such other information as may be required by rules and regulations to be adopted by the state treasurer and the land commissioner. If the value of the land as fixed by these persons is less than twice the amount of the loan requested the state treasurer must reject the loan, and return the fee to the applicant. If the estimated value exceeds twice the loan applied for, then the state treasurer places the application with the land commissioner for appraisal and recommendation. There is a provision in the law that loans shall be made only upon cultivated lands of the state, and in no case upon lands which are appraised at less than ten dollars per acre. Also provisions that no more than one loan shall be made to one person, nor upon one tract of land, nor to exceed five thousand dollars in any farm loan.

The farm loans so far made are distributed in amounts in the counties of the state as follows:—

	Loans	Amount
Apache	100	248,730
Cochise	25	35,575
Coconino	2	3,500
Graham	81	222,801
Greenlee	7	17,050
Maricopa	96	266,445
Mohave	2	7,500
Navajo	7	19,050
Pima	4	16,200
Pinal	8	35,250
Santa Cruz	26	48,700
Yavapai	2	7,200
Yuma	33	84,755

The State Loan Board has recently adopted a resolution under which not to exceed \$125.00 per acre will be loaned upon any farm land. This resolution was called forth by the present high prices of lands in several counties, and to meet the possibility that these prices might not continue as fixed values.

In addition to authority to loan the land funds of the state upon real estate mortgages as above outlined, those funds may also be invested in bonds of the United States, bonds of the state of Arizona, or of the counties, municipalities or school districts thereof. With conservative handling, the higher rate of interest on loans on farm lands, will be productive of larger income than loans upon the other classes of securities above mentioned and upon which loans may be made. While the income from these funds is not yet large, the matter of policy in the handling of the funds to produce that income is quite a vital matter. To make the funds productive of the highest revenue and at the same time entail no loss in the principal of the funds themselves is the task which devolves upon the state officers having the custody and control of the funds. If all this can be worked out and still give individual farmers a low rate of interest, there can be no serious objection to loans upon farm lands.

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ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

T ARIZONA TAXPAYERS MAGAZINE

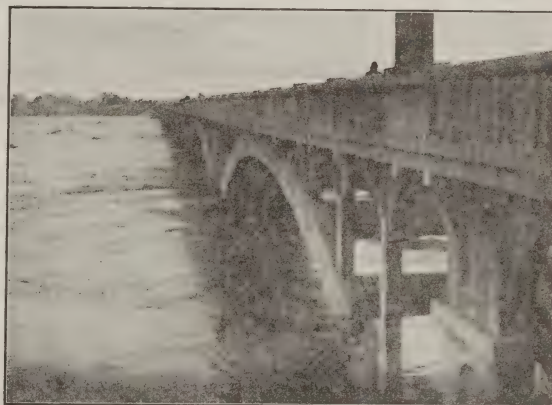
A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME SEVEN

PHOENIX, ARIZONA, MAY, 1920

NUMBER FIVE

Two views of the Tempe Highway Bridge taken after the damage by floods of Winter and Spring, 1919-1920.



A close scrutiny of the views will show the "sag" in the floor of bridge, and the slight warping of line of bridge down stream.

EDITORIAL COMMENT

Taxation Problems of Lands in Special Road Districts

The matter of public road construction is one to which special attention of the public is now directed that demands for more roads and better roads may be met. It may not be out of place to suggest that the demand for road construction has preceded in some respects such legislation as necessary to road construction without duplication of taxation, or without conflict of final control over roads when so constructed.

To explain. There are county road funds still to be raised and expended under the direction of the boards of supervisors. There is a seventy-five per cent of the state road funds, which are returned to the counties for state highway construction in the counties from which those funds were first taxed for state purposes. Many of the counties have highway projects pending under bond issues the funds of which are expended under the supervision of county highway commissions. There still remains a number of special road districts, with bond issues outstanding, with roads therein constructed and to be maintained by the officers of such districts. In working out plans for highways, and highway systems, there are stretches of roads which heretofore have been the subject of action as to construction and maintenance, by one, more, and possibly all of the various authorities having charge of the several funds above mentioned. With all of the foregoing, comes the matter of "post roads" with United States funds used in their construction, share and share alike with state and county funds. Out of it all comes the question as to the final burden and upon which that burden rests, to finally maintain the roads.

The question has been asked, are special road districts to be still burdened with the maintenance of highways originally constructed under district supervision, and with district funds. Will the property of such districts continue to be taxed to pay the district bonds; and will such districts also be taxed to pay county road taxes, interest upon county road bonds issues, and taxes to pay principal upon such bond issues. Will roads reconstructed in such districts with funds provided from outside sources, state, county, bond, or federal aid sources, be-

come roads to be kept up by special district taxation.

These questions are important. It will appear on the face of the subjects involved, that districts might become subject to double taxation for road purposes, if the answer to those questions is in the affirmative that the burden does remain upon the district. The strange part of it is, that the real answer to those questions must remain in doubt. A doubt produced by the fact that fragments of new laws upon the subject, do not fit into and harmonize with, old laws pertaining to special road districts. Attention is called to the provision of our state laws, provisions both in old laws and in newer enactments, and from which such answer as may be made to the questions as to the present status of special road districts must be made.

Under the special road district law, duties are imposed upon the trustees of the districts in the language which follows:—

"For the purpose of construction, maintenance, and repair of the roads, driveways, highways, and bridges, within such special road district, a special road tax shall be levied on all taxable lands within said district as follows:

The trustees of said district shall on or before July 1st, in each year certify to the board of supervisors of the county in which such district is located, the amount of money required by said district for the construction, maintenance, and repair of the roads, driveways, highways and bridges, within said district for the ensuing fiscal year, and thereupon it shall be the duty of the board of supervisors to levy such a special tax upon all the taxable lands within such road district as will produce the amount so certified by the trustees of said district; provided, that the tax so levied shall not exceed a rate of seventy-five cents on each one hundred dollars of the assessed valuation of the lands in said district, except as hereinafter provided."

If the trustees of districts continue to act under above provisions, then the taxable real estate within the district may be subjected to a seventy-five cents

per hundred special district tax, added to such tax as may be sufficient to pay interest upon district bonds and principal of those bonds, plus the ten cent state tax for road purposes, plus the regular county road tax levy whatever that may be in each county, plus interest and principal taxes upon county bonds. In return for which the district may receive money from the county treasury under provisions of the following section:—

"The levy and collection of the road taxes within such district shall not exempt the property within such district from the levy and collection of the general county road tax by the board of supervisors provided that the board of supervisors shall appropriate annually to the use of such special district, such amount as in their judgment is equitable and just, which amount shall in no case be less than forty per cent nor more than sixty-five percent of the amount of road tax levied and collected within said special road district."

Under the county highway commission act, reference is made to special road districts, in language which follows:—

"Whenever said Commission is of the opinion that any plan for road construction or improvement be made by bonds issued under this act is of such nature that any road or roads therefore improved from funds obtained by the sale of the bonds of a Special Road District situated in the county ought to be deemed a part of such general road improvement, and shall include the same in the map of said highways proposed to be improved, the Board of Supervisors of such county shall specify in the call for election that such Special Road District roads or any of them shall be made a part of such improvement, and that the county shall assume all or any part of the unpaid portion of the bonds issued by such Special Road District. If the election carries, then such special road district bonds, or such part thereof as shall be authorized at said election, shall become the indebtedness of such county and paid for in the manner that other county bonds are paid for by such county. And any road or part of a road with-

in any Special Road District for the improvement of which bonds of such county shall be issued pursuant to the provisions of this act shall upon the issuance of such county bonds, be subject to the control and supervision of the Highway Commission as fully and to the same extent as other public highways of such county, and the control over, and supervision of such road, or part of road by the Trustees of any Special Road District shall automatically cease."

Also a general provision in that same law as follows:

"All necessary repairs to any highway improved under this Act, shall be done by the same officers who may be charged with the duty of repairing other highways of the county, and the cost of such repairs shall be paid out of the general fund of the county."

As first stated above, the answer to the questions asked, must be found in a proper application of the above provisions to the situation which surrounds each special road district in the state at the time the answer is to be made.

Whatever the answer may be, the

question is one of doubt, and will remain in doubt until comprehensive legislation is enacted, which so amends all the laws concerning roads, that such amendments will plainly designate just "who is who" and place the final duty in some authority to see to it that roads are maintained by that authority after such roads have been once constructed out of many funds. The maintenance of roads is certainly as important as their construction is important. That maintenance should not be neglected for reason of any application of the old saying: "everybody's business but nobody's business."

Forest Reserve Funds Must Be Apportioned Equally Between Schools and Roads

Thirteen counties in Arizona, all except Yuma county, derive an income from what is known as the "forest reserve fund," and which consists of an allowance made by Congress to the states of twenty-five per cent of money received by the United States from forest reserves situated within each state, and so received each fiscal year. The treasurer of each state receives these funds in one amount, and then the state auditor divides them up among the several counties. According to the state records of these funds there was received for the state out of the distribution for the fiscal year ending June 30, 1919, amounts which were then divided among the counties as follows:

Maricopa county, \$4,970.67; Cocino county, \$41,483.51; Apache county, \$4,658.62; Cochise county, \$5,033.65; Gila county, \$10,982.29; Graham county, \$3,280.48; Greenlee county, \$8,133.69; Mohave county, \$61.94; Navajo county, \$2,816.93; Pima county, \$4,015.00; Pinal county, \$1,861.23; Santa Cruz county, \$4,289.68; Yavapai county, \$21,565.28. Yuma county has no income from the fund.

These funds come into the state treasury after county estimates as to "receipts from other sources of revenue" are made up, and while the totals have not in fact decreased since statehood, in examination of county estimates made as the basis for taxation, show that the estimated amounts to be received, as compared with the amounts actually received, have been so made, that the tax levies have not lessened as they should have lessened, had more correct estimates have been used. The amounts "actually received" from these funds

have been used to increase the amount which has been taxed in the counties, under the practice of adding to the taxes levied and collected, all amounts actually received from other sources, and using that aggregate as a basis for applying the ten per cent limit, following that up by using the low estimate as to amount to be received and raising the balance of the adopted budget by direct tax levy. The practice has also been to expend nearly all of these funds for "roads", and raise the full amount required for the county public schools by taxation.

It may be stated as true, that by such practices as above, applied to all funds received under the head of "other sources of revenue," the amount which now stands as the basis for computing the "ten per centum limit" as to taxes for county general funds, and county road funds, is a basis greatly in excess of what it would have been otherwise. The excuse for so doing has been that the counties "needed the money," and taxpayers have accepted that excuse and rested upon their rights.

As pertaining exclusively to "forest reserve funds," a new phase of the matter is presented under a recent ruling of the United States District Court of Washington. In that case a school district demanded its share of an equal division of the funds allotted to the county in which that school district was located, equal to the extent that the district complained of action of the board of supervisors which resulted in placing some \$30,910.85 in the road fund and only \$1,522.56 in the common school fund of the county, out of a total of \$32,433.41 apportioned to the county. The words of that decision

which are quoted below plainly shows the reason for the ruling made. Quoting as follows:

"It is contended that the execution of the trust must be left entirely to the good faith of the state and that, since it appears from the complaint that the funds received by Snohomish county (Washington) have been devoted to a public purpose, Congress alone can inquire into the manner in which the trust has been executed; that no cause of action is stated.

"The reception of the money by the defendant treasurer, under the provisions of the congressional and state acts, carried with it notice of the object and purpose of the money and its trust character, and any disposition of the funds contrary to the trust was at the defendants' peril, and the cestui que trust is not remediless when the fund is dissipated, but may sue in equity to protect such right.

"I think it must be conceded that the acts of Congress created an express trust, of which the several school districts and road districts are the cestuis que trustents. The act of the legislature of Washington of March 15, 1907, supra, does not deviate from the terms of the trust imposed by the act of Congress. The act contains, however, this provision:

"County commissioners of the respective counties to which the money is distributed are hereby authorized and directed to expend said money for the benefit of the public schools and public roads thereof, and not otherwise."

"The act of Congress creating the trust for the schools and roads provided that the fund is 'to be expended as the

(Continued on Page Four)

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS' ASSOCIATION OF ARIZONA

Subscription May, 1920 50 Cents

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FOREST RESERVE FUNDS MUST BE APPORTIONED EQUALLY BETWEEN SCHOOLS AND ROADS

(Continued from Page Three)

state or territorial legislature may prescribe.' The legislature could not delegate any discretionary power reposed in it with relation to such fund. This is a discretion which must be exercised by the trustees provided by the act of Congress, and in so far as this act, if it may be so held, seeks to delegate discretion, must be inoperative.

"Schools have ever received the special consideration of Congress, and many grants to states in trusts for the various objects are on the statute books, and no diversion from the purpose is countenanced without the approval of Congress.

"It is contended by the plaintiff that the history of congressional grants is conclusive that each fund should receive an equal share. In the consideration of the act in issue, aside from the congressional policy gleaned from the legislative history which should be considered, it would seem that the general

rule applicable to the construction of gifts, wills and deeds should apply, where it is established that when bequests, gifts or grants are made to two or more persons, each is presumed to take an equal share, in the absence of limitations to the contrary.

"The power which was given by the state legislature, supra, to the board of county commissioners to expend the moneys for the benefit of the public schools, and the public roads, was only a power to expend the funds in the manner authorized by the laws of the state relating to roads and schools. There are many ways in which money available may be expended for roads or for schools. The money having been paid to the county treasurer for roads and schools, he had no authority to disperse the fund in any other proportion than directed by the act of Congress, which language was repeated by the state legislature; and the defendants, being the custodians of the trust funds, are liable for any misappropriation, and must account to the fund for the sums diverted. The evident purpose of the Congress, by the act, supra, was to have the schools and roads participate in the funds in equal shares."

The Arizona statute on the subject of division of these funds, after providing for distribution of the funds to the counties, says:

"It shall be the duty of any county treasurer receiving money under the provisions of the preceding section, to immediately notify the clerk of the board of supervisors and the county school superintendent of the county, of the amount so received, and thereafter said money shall be disbursed for the benefit of the public schools and public roads of said county, in such manner as the board of supervisors may direct."

Under the decision above referred to, that section must be held to mean an equal division of the funds as between roads and schools. Congress has so intended. The state legislature could not defeat that intention. The board of supervisors are given discretion as to the use of the funds, that is, what school purpose, one-half shall be used for, and what road purpose, the other half shall be used for, with no discretion to increase for the one to the detriment of the other. With that decision applied as law, each fund must have its one-half of the forest reserve fund.

The State May Tax Homesteaded Lands Under Reclamation Projects After Final Proofs and Before Patents Are Issued

A case has been recently heard and decided by the District Court of the United States which unless that decision be reversed by appeal decides the important question that homestead lands which are under the Roosevelt Reclamation project and for which final proofs have been made and receipted for by the United States but as to which patents have not yet been issued, are taxable to the extent of "the equity of the owners", and that such equity is subject to the lien of taxes and may be sold to enforce that lien if taxes are not paid.

The suit was brought by and in behalf of the owners of lands within the class above described which lands have a value for taxation purposes of \$498,000.00, and directly involved taxes to the amount of \$24,811.18, and was against the several county officials of Maricopa whose duties connected them with the levy, assessment and collection of taxes, including the County Attorney. The latter officer defended for all the officials, and succeeded in obtaining a ruling in accord with above statement.

There may be questions of similar nature arise in connection with other reclamation projects in this state, and it will then become of interest to our readers, to know just what was involved in the suit, for that reason a synopsis of the recitals from the pleadings in the cause is given herewith:

The bill of complaint among other things alleged that:

Plaintiffs are entitled to the rights, privileges and immunities of homesteaders deriving title from the United States Government by homestead entry within the Salt River Project, in the State of Arizona; that he is entitled to claim exemption from taxation by the county authorities of Maricopa County, State of Arizona, against the premises heretofore entered by him as a homestead entry under the Homestead Laws of the United States governing homesteads within Reclamation Projects, until the making of final affidavit and the issuance of final certificate by the proper officers of the United States Land Office and the titles of said persons similarly

situated to their respective homesteads, and involves the right of said county officials to assess, tax, levy upon and sell for satisfaction of liens United States Government Homestead Lands, to deliver a conveyance therefor **before the issuance of Final Certificates or Patent therefor.**

That on or about the year 1872 the land and premises hereinafter described as being in Maricopa County, State of Arizona, then the Territory of Arizona, became subject to entry under public land laws of the United States, and among others subject to entry under the General Homestead Law as provided by the Act of May 20, 1862, and Acts amendatory thereof and supplementary thereto That every person who is the head of a family, or who has arrived at the age of twenty-one years, and is a citizen of the United States, or who has filed his declarations of intention to become such as required by the Naturalization Laws, shall be entitled to enter one quarter section or less quantity of unappropriated public lands, to be selected in and be in conformity with the legal subdivisions of the public lands, by applying to enter said lands and making and subscribing before a proper officer and in a proper Land Office of the United States an affidavit showing that he or she is qualified to make said entry.

Every person making a homestead entry under said public land laws and regulations is required, among other things, to establish a residence upon the tract of land entered within six months after the date of entry, and maintain a residence thereon for a period of not less than three years, and to cultivate said land for a period of at least two years; to submit final proof within five or seven years from date of entry as to residence, cultivation and improvement, first giving notice of the time and place for submission of final proof as required by said laws and regulations that said Reclamation Act, and Acts amendatory thereof and supplementary thereto, provides for the withdrawal of public lands from all forms of entry except under homestead laws, and except when subject to the provisions, limitations, charges, terms and conditions of said Reclamation Act and Acts amendatory thereof and supplementary thereto That each entry is subject to readjustment by said Secretary of the Interior, and that said Secretary of the Interior is not required to confine any Farm Unit established by him to the limits of any entry theretofore made, but may combine any legal subdivision thereof with any contiguous tract lying outside of said entry.

That homestead entrymen within reclamation projects are precluded from making final proof and from receiving final certificate or patent until said Secretary of the Interior shall have determined the Farm Unit for such reclamation project That in addition to the acts and things required of homestead entrymen under the General Homestead Law, homestead entryment on lands lying in irrigation projects are required to clear the land entered by, or assigned to them of brush, trees and other incumbrances, to provide the same with sufficient laterals for its effective irrigation, to grade the same and put it in proper condition for irrigation and crop growth, to plant, water and cultivate during at least two years next preceding the time of filing the Final Affidavit hereinafter mentioned at least one half of the irrigable area of his entry, and to grow satisfactory crops thereon.

That under said reclamation acts and regulations no Final Certificate can be issued until the doing of all the things enumerated under said Acts and regulations, particularly the acts and things herein mentioned

That after the incorporation of said lands within the Salt River Project, to-wit, on the 25th day of June, 1904, and the establishment of said lands as reclamation homestead entries, to-wit, during the years 1907, 1908, 1909, 1910, 1911, 1912, 1913, 1914, 1915, 1916, 1917, 1918, and 1919, and before the issuance of Final Certificates or patents for said lands, the County authorities of Maricopa County, State of Arizona, (then the Territory of Arizona) duly assessed said lands described in plaintiff's Exhibit "C" for State and County taxes for said County and State aforesaid, and thereafter the Board of Supervisors of said County and State duly levied a tax against the various tracts of land described in plaintiff's said exhibit "C", which taxes were duly entered upon the public tax records of said County and State and duly declared a lien upon said lands.

That thereafter each year during the continuance of the territorial status of said State of Arizona, and following the admission of said territory as a state into the Federal Union, said County and State authorities duly and annually assessed and levied taxes against said premises for each and every one of said years; that said taxes were thereafter duly entered upon the public tax record of Maricopa County, State of Arizona, and by said authorities and under and by virtue of the laws of the State of

Arizona duly declared to be a lien upon said lands.

That on said 18th day of January, 1917, the Secretary of the Interior Department of the United States Government established Farm Units within the Salt River Project under said Reclamation Act of June 17, 1902, and the regulations issued thereunder and ordered and required all homestead entrymen within two years from the date thereof to conform their entry to such Farm Unit.

That the County Assessor, Board of Supervisor, County Attorney, County Sheriff and County Treasurer, of Maricopa County, State of Arizona, defendants above named, despite the fact that final proof had not been made thereon, and despite the fact that no affidavit of proof or reclamation, improvement or irrigation relating thereto had been made, or fees paid thereon, and that no Final Certificate had been issued therefor, annually levied and assessed State and County taxes against said lands, and the whole thereof, and demanded the payment of said taxes from this plaintiff and said entrymen herein mentioned and their assigns among others for each and every year mentioned and in the amounts set forth in plaintiff's Exhibit "C"

That said premises of this plaintiff are of the value of \$10,000.00 and that the total value of said premises herein described as known to plaintiff is in excess of \$498,000.00.

The answer asserts: That the total amount of taxes so assessed and levied against the premises of this plaintiff is the said sum of \$3,228.36 and that the total taxes assessed against said premises known to plaintiff is in excess of \$24,811.18 exclusive of interest and costs and that by virtue of the premises, at the time of assessing and levying said taxes, the plaintiff and other persons similarly situated had a substantial and valuable and, as the defendants are informed and believe, a taxable, equity and interest in their respective reclamation homestead lands so that now the tax records of said County clearly show that only the equities of the plaintiff and other persons similarly situated in their respective reclamation homestead lands are taxed. And that the county officials intend to collect said taxes, and intend to continue to levy taxes in future upon the interests of plaintiff in and to the lands even though no patents therefor have been issued.

After hearing the matter, the Court issued an order dismissing the bill "upon the merits."

The State Auditor's Report for Year Ending June 30, 1919

The auditor's report referred to in the heading of this article is the first report which has been made under the new budget law of the state. Prefacing the report comes statements from the auditor which announce the difficulties which his office encountered in preparing the statement or report. So far as those statements go and point out real difficulties, or real inadequacies in the provisions of the law, they become of value as bearing upon possible minor amendments in the law which when made will remove the difficulties pointed out. It should also be borne in mind that the report which is made covers a fiscal year of the state, the financial records of which at the beginning of the year were not made up with any idea of being used for such statements as are required by the budget law. The fiscal year covered by the report began with July first, 1918. The budget law with its requirements did not come into effect until June 13, 1919. It should be perfectly apparent that the second report of the state auditor, which will in fact cover the first fiscal year of the state, with its finances and its bookkeeping conformed to the new law, will remove many of the difficulties which were encountered in the preparation of the first report.

Suggestions Pertaining to Budget Law Discussed

The auditor suggests that the new law nowhere specifically requires a statement "showing all the revenues of the state as apportioned to the various funds for the year. The auditor also suggests that a "balance sheet" cannot be prepared to conform to the requirements of law, and states the reason to be that no law exists requiring an inventory and appraisal of the permanent properties of the state. Suggestion is also made that the requirements of the law that each fund shall show monthly the additions thereto, claims that there can be no such revenues to be added.

The auditor as to several of these suggestions seems to have overlooked the fact that appropriations are of two classes. Specific appropriations, under which the legislature sets aside a definite amount named in general appropriation, or named in special appropriation,

specific appropriations which become such by action of the officers fixing amounts of state tax levies and including therein amounts specifically named to meet continuing appropriation laws whose terms provide that "so much as necessary shall be paid from the general fund." The other class of appropriations, which are uncertain in amount, and which are usually referred to under the general head of "other sources of revenue" but are none the less appropriations, if in connection therewith, language can be found showing a constitutional declaration or legislative intent that those revenues shall be used for current purposes of state to which each such revenue becomes "another source of revenue." There may exist question as to whether such language does appear as will warrant the use of this class of revenues. But when that language does appear respecting those revenues, the amounts thereof as they do come into the state treasury, are amounts which the budget law does intend to be added to the credit of each fund respectively entitled thereto. So, beginning with each fiscal year, the budget law does require the state auditor to credit to each fund the balances remaining in all funds, except such funds as remain from special appropriations to purposes which have been completed, and to add to such amounts the specific sums appropriated to each fund. During the year there will also be credited the other revenues to each such fund as those revenues come in. Just how all this could be done, (and it is required to be done by the budget law) and not take into consideration figures which are required in an account, is not so plain. It seems a certainty that with the amounts which are required to be credited to funds so plainly designated as above pointed out, no "balance sheet" could be prepared which did not include those entries.

Offices of a "Balance Sheet" Considered

A "balance sheet" from books of account does not necessarily include matters which depend upon inventories other than such inventories as appear upon the books. The auditor is not required to place a value upon property which has never been the subject of bookkeeping, nor represented by account in the books to be items which occur

during a current year, and which are properly investment items, either go to the account which has already been opened under that head, or become subject for a new account. There can certainly be no difficulty in segregating from all the amounts expended during a fiscal year those particular amounts which do go into new buildings, new roads or to other purposes classed generally as "capital investments." Nor any difficulty in segregating amounts which are appropriated for "capital investment" from amounts appropriated for other purposes, and likewise keep accurate accounts of expenditures against such appropriations, and strike monthly and annual balances thereof. True it is, the public will not know how much the state has invested in the totals, but the public will know how much has been added to whatever that total capital investment may be, and so be, from prior expenditures. Among the purposes of a budget is to place before the people a statement of what it is proposed to do with public money to be raised from taxation or other means of acquiring public revenue; to show that the money is finally used for the purposes for which raised. When the amount of public expenditures is constantly increasing, the segregation of those expenditures into classes of what are proper current expenses, and what are increased permanent assets, is the only manner in which the people can be advised upon the point of whether the whole matter is expense, or partly expense and partly permanent. In business, expenses are really losses. Capital investments are profits. The budget feature as applied to the subject above discussed, gives to the public a means of distinguishing as between their losses and profits, as the result of annual expenditures. The present budget law is amply specific and certain in its provisions as to bookkeeping and reporting, to cover those features. Being a new law, it must be familiarized by the public officers acting under it. When they are familiar with the law, seeming deficiencies will disappear. Such deficiencies as may actually exist can be cured by slight amendments.

Figures published from the report are as follows:

**STATEMENT OF VARIOUS FUNDS, SHOWING RECEIPTS AND EXPENDITURES FOR THE
FISCAL YEAR ENDING JUNE 30TH, 1919, THE BALANCES REMAINING AT THE END
OF THE YEAR, AND THE BALANCES BROUGHT FORWARD FROM THE PREVIOUS
YEAR.**

Name of Fund,	Balance July 1, 1918	Amount of Appropriation	Receipts	Expenditures	Balance June 30, 1919
Agricultural College	\$	\$	\$ 50,000.00	\$ 50,000.00	\$
Apiary Inspection	9.00		1,989.84	731.34	*1,267.50
Asylum for the Insane, Mtc.		90,000.00	50,882.59	137,861.32	3,021.27
Asylum for the Insane, Bldg.	7,306.50	7,500.00	10,121.84	24,982.34	
Asylum for the Insane, Bldg. Impr.		28,325.00		7,507.21	*20,817.79
Asylum for the Insane, Imp.	2,925.88	10,000.00	8.29	12,934.17	
Asylum for the Insane, Farm	2,490.54		27.50	2,518.04	
(a) Asylum for the Insane, Interest.	64.40		856.29	975.00	*54.31 Red
Bureau of Mines	121.70	25,000.00	.85	25,115.25	7.30
Capitol Building Addn.	117,457.68		54,040.92	157,964.94	*13,533.66
(a) Capitol Building Interest	2,376.56		4,389.30	7,350.00	*584.14 Red
Date Palm Orchard	33.52	2,650.00		2,665.62	17.90
Date Palm Orchard and Hortic. Station.	2.19	3,137.50		3,139.69	
Dry Farming	42.97	3,000.00		3,042.97	
Free Employment Office	592.08	2,500.00	78.85	3,170.93	
Inheritance Tax	4,937.50		20,732.38	21,083.66	*4,576.22
Inst'l Land Grants—Sales	65,237.20		163,269.63	51,362.96	*177,143.87
Inst'l Land Grants—Rentals	76,904.20		59,197.55	92,738.82	*43,362.93
(b) Interest	39,133.32		97,493.02	122,443.65	*14,182.69
Library	2,161.83		4,019.05	2,946.13	*3,234.75
License and Inspection	30,381.23		53,892.39	70,147.29	*14,126.33
Military	50,000.00	30,000.00	13,000.00	1,466.86	*91,533.14
National Forest Road and School			92,586.32	92,586.32	
Northern Arizona Normal School Mtc.	8,692.61	79,500.00	46,228.70	134,410.28	11.03
N. A. N. S., Bldg.	31,283.06		25,998.05	50,493.69	*6,787.42
N. A. N. S., Impr.	2,138.19	2,500.00		4,529.93	108.26
(d) Permanent School—Sales	50,555.91		41,150.80	291,170.00	*536.71
Permanent School—Rentals	76,320.97		136,673.06	76,320.97	*136,673.06
Pioneers' Home, Mtc.	670.58	18,000.00	10,883.24	29,332.37	221.45
Pioneers' Home, Impr.	3,507.16	1,000.00	2,395.31	6,835.48	66.99
Plant Introduction	302.76	3,000.00		3,301.76	1.00
Prescott Dry Farm	69.24	3,690.00		3,759.24	
Prison Maintenance		100,000.00	12,128.31	110,347.71	1,780.60
Prison, Improvement	1,259.52	12,000.00		13,259.42	.10
Prison, Farm	40,000.00			40,000.00	
Prison, Farm and Equipment	10,000.00		1,187.08	11,187.08	
(c) Redemption, State Funded Debt.	261,951.87		54,868.88	30.70	*316,787.03
(a) Redemption, St. Louis Exposition Bonds.	17,164.95		2,166.76		*19,331.71
(a) Redemption, U. of A. Bonds	17,164.95		2,166.76		*19,331.71
Salt River Valley Exp. Farm	1.70	10,000.00	9.00	9,997.11	13.59
State Fair Mtc. and Imp.	1,328.09	60,575.54	15,210.07	76,889.22	224.48
State Game Protection	1,279.96		18,162.22	18,951.53	*490.65
State Industrial School, Mtc.		35,000.00	37,538.72	72,523.71	15.01
State Industrial School, Impr.	7,391.13	10,000.00		17,386.05	5.08
State Land C. and A.	37,623.94		21,595.64	34,056.98	*25,162.60
State Loan	2.79		841.45	697.17	*147.07
State Road Tax—General	1,315.51	268,505.13	360,449.09	544,171.84	*86,097.89
State Road Tax—Counties	228,860.78	625,515.40	67,557.90	697,889.23	*224,044.85
State School	50,628.66	752,500.00	138,260.66	905,507.77	35,881.55
Sulphur Springs Valley Dry Farm	1,155.77	3,700.00		4,839.03	16.74
Surface Water Investigation	275.43	3,000.00		3,255.74	19.69
Tempe Normal School, Mtc.	5,252.07	110,000.00	40,531.08	155,782.57	.58
Tempe Normal School Bldg.	4,575.57		4,030.32	8,605.89	
Tempe Normal School, Impr.	976.79 Red	12,500.00	8,433.86	19,957.07	
Tempe Normal School, Ground Impr.	923.04	2,500.00		3,421.44	1.60
Transient Herd Tax	478.68		4,603.65	5,082.33	
University of Arizona, Mtc.	58,871.55	149,597.50	18,122.17	226,590.68	.54
University of Arizona, Bldg.	99,438.73		45,126.18	70,790.73	*73,774.18
University of Arizona, Imp.	2,934.89	40,000.00	23.10	42,932.75	25.24
U. of A. Co-Op. Agric. Extension Work	279.49	6,004.15		6,283.64	
U. of A. Extension	498.95	6,000.00		6,477.46	21.94
U. of A. Mining and Engineering Bldg.	1,412.69			1,409.85	2.84
U. of A. Printing	791.94	6,000.00		6,791.94	
a) U. of A. Interest (Par. 3663, Laws 1901)	270.26		1,083.33	1,250.00	*103.59
U. of A. Interest (Act 47, 1903)	97.51		512.51	400.00	*210.02
U. of A. Farm Maintenance	23.82	11,850.00		11,873.82	
U. of A. Farm Improvement	479.02	2,300.00	2.75	2,781.77	
University Timber Account	2,250.42		61,934.42	45,037.30	*19,147.54
Underflow Water Investigation	399.41	2,400.00		2,799.41	
Totals on this Statement	\$1,431,125.08	\$2,539,750.22	\$2,056,448.66	\$4,674,093.17	\$1,353,230.79
Less Taxes shown as Receipts			62,822.72		
			1,993,625.94		
Plus Transfers not Affecting this Statement.....			12,797.48	28,479.08	
Actual Gross Receipts and Disbursements of all Funds other than the General Fund.....			\$2,006,423.42	\$4,702,572.25	

Balances marked in this manner have been carried over into the following year; balances not so marked expired June 30th, 1919, and will revert to the General Fund when the total tax levy has been paid in and apportioned.

- a) Receipts shown are from State Taxes only.
- b) Receipts shown contain \$28,846.31 of State Taxes.
- c) Receipts shown contain \$22,801.46 of State Taxes.
- d) Amount shown as Expenditures is money invested in Farm Loans.
- e) Amount shown as Expenditures is money invested in Farm Loans, except \$1,587.50 paid for Scaler's salary, etc.

The Thirteenth Annual Conference of the National Tax Conference To Be Held in Salt Lake City

Notices have been received of the coming meeting of the National Tax Conference, to be held in Salt Lake City during the week beginning September sixth.

Of the work to come before the meeting the "Bulletin" of the association says:

"The program will be such as to throw light upon the most recent legislative and administrative experience. There will be an attempt to reach some conclusions upon such vexed questions as income taxation, inheri-

tance taxes, constitutional provisions, federal tax legislation, mine taxation, exemptions and others of equal importance. This outline is merely preliminary. It is desired that definite suggestions be made by those who have some special topic to emphasize. Requests made to the secretary will be acted upon so far as possible either in the program or by arranging the discussions."

This Magazine may timidly say that the laws of all states produce revenues enough with all their imperfections, and

a vital question of concern to all taxpayers is that involved in the use of funds raised, and so suggests a movement towards further activity of the National association towards the universal adoption of "budget systems." It believes that hand-in-hand with the question of an equal distribution of tax burdens among the varied classes of property, is the question of real business methods to be applied to the expenditure of public money. The "budget system" seems to comprehend and include the latter question, and is one of interest to every taxpayer.

Questions and Answers

Are intangible values the subject of taxation in Arizona?

Answer to above question is found in the provision of statute (par. 4847) it reads as follows:

"The term 'personal property' whenever used in this act shall include money, goods, chattels, choses in action, evidence of debt, and any interest or equity in or valid claim to non-patented mining claims, either lode or placer; and shall be deemed and taken to mean, and it is hereby declared to mean and include all property of whatsoever kind or nature, both tangible and intangible, not included in the term real estate, as said term is defined in this section."

Will you please inform a reader when it becomes necessary to obtain a license to graze animals belonging to non-residents upon lands in Arizona, and what the provisions of the law are?

The legislature in 1919 enacted what is Chapter 115, found on page 178 of the Session Laws of Arizona for that year. It provides as follows: "Every non-resident person, firm, partnership, association or corporation who may graze, herd or pasture sheep, goats, cattle or horses within the state of Arizona, as either owner, lessee or manager of said sheep, goats, cattle or horses, must annually procure a license therefor from the sheriff, as collector of transient grazing licenses, of each county within which such sheep, goats, cattle or horses are grazed, herded, or pastured, and

shall pay therefor the amount of twenty-five cents per head for each and every sheep, or goats, and fifty cents per head for each and every head of cattle or horses, grazed, herded or pastured within the state of Arizona." "Every non-resident person, firm, partnership, association or corporation who shall engage in the business of grazing, herding or pasturing of any sheep, goats, cattle or horses, as either owner, lessee or manager thereof, within any county of the state of Arizona, or who shall graze, herd or pasture any sheep, goats, cattle or horses, within any county of said state, without having first procured a license therefor, as prescribed in the preceding section, shall be guilty of a misdemeanor." For the purposes of this act, the sheriffs of the various counties shall be the collectors of licenses." "All moneys collected for sheep, goat, cattle or horse grazing licenses during each month, shall, on or before the tenth day of the following month, be paid by the sheriff, as license collector, to the county treasurer of the county wherein said licenses are collected, and shall be by him placed to the credit of the general fund of said county."

Is there any connection between the non-resident grazing license act and the transient herd tax law?

There does not seem to be any connection as between the two. In another answer given in this issue of the Magazine the license grazing law is given in full. That law says nothing about

whether the herds from which licenses must be procured are taxed in the state or not. Just what might be the meaning of the laws when taken together, and attempts were made to require a license fee of a non-resident owner of herds, who had a "home ranch" in the state, and whose herd was taxed in the county where that home ranch was situated, is a meaning to be worked out through the courts, should such a question come up. The legislature probably intended the license law to apply to owners of transient herds, where those herds are only in the state for grazing purposes and not long enough for taxation purposes. On the face of the law, however, it makes no distinction. But the transient herd law (Par. 4869 and 4870, Revised Statutes) applies only to a division of taxes on herds, as between the various counties in which those herds may graze during the year. The division is made on a pro rata basis, which takes into consideration the number of animals which are transient, and also the number of months, which those animals are in the home ranch county, and the number of months they may be in other counties. The county where the home ranch is located makes the assessment, collects all the taxes, and is then required to divide with the other counties. The division is based upon an affidavit made by the owner of the herds, with penalties in the law for making a false oath. If a non-resident owner of herds did have a home ranch in any county of the state, his herd would be taxed, and those taxes subject to division, in event they grazed in other than the home ranch county during the year. As said above, the matter of paying a license tax also is still an open question for the courts to decide.

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ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME SEVEN

PHOENIX, ARIZONA, JUNE, 1920

NUMBER SIX

Total Valuations of all Counties of Arizona for the Year 1919 and Percentage of Total State Valuation

County	Assessed Valuation	Percentage of Total State Valuation
Cochise	\$172,142,473.34	20.13
Gila	162,293,178.76	18.98
Yavapai	134,082,679.77	15.68
Maricopa	100,650,667.31	11.77
Pinal	69,071,742.54	8.08
Pima	64,545,832.66	7.55
Greenlee	43,946,537.94	5.14
Mohave	23,203,707.40	2.71
Coconino	20,889,740.18	2.44
Yuma	19,880,527.17	2.32
Graham	13,433,105.10	1.57
Santa Cruz	11,315,403.48	1.32
Navajo	11,145,143.88	1.30
Apache	8,623,981.40	1.01
	<u>\$855,224,720.93</u>	<u>100.00</u>

EDITORIAL COMMENT

Some Aspects Respecting State Highway Construction

When the traveler over the state of Arizona attempts to traverse its extreme length, or go from its eastern to western lines that traveler meets all kinds of roads. Naturally the question comes into mind as to what Arizona is doing in the matter of highways. That traveler may be from some of the eastern states; he may be used to traveling only upon paved roads. He may at once compare the roads of Arizona with those other roads of his travels, and immediately charge Arizona with being behind the time in the matter of highway construction. Arizona should not be condemned unheard on account of such comparisons. In its behalf may be said that Arizona is a new state. Arizona is a big state in the matter of actual square miles within its borders. In general it is nearly square; it includes 113,000 square miles of area, with a length of 390 miles and breadth of 335 miles. Let that same traveler put the whole of the New England states into his comparison. Or let him take Ohio and Michigan. Let him take Michigan with Wisconsin. If he is familiar with the highways which traverse the thinly settled portions of those states, if he compares that knowledge with what he encounters in Arizona, his mind will come to a different conclusion. That traveler will not leave Arizona with such an unfavorable opinion of its highways as his first impression may have been.

"Red Tape" to Unwind Before Construction of Highways Can Be Commenced

The citizen of Arizona also wonders why more roads are not constructed. Asks the question of why highway funds are not more quickly used in actual construction of highways. The answer is, in brief, "red tape." The state authorities have but twenty-five per cent of the state highway fund under their immediate control, even as to that portion it requires joint action of the state engineer and of the directors of state institutions before a project may be agreed upon, and similar joint action in the letting of contracts, or work of actual construction is undertaken. The other seventy-five per cent of the state highway funds is expended under joint action of the state authorities and the boards of supervisors of the counties which paid that fund into the state treasury. If as

the actual result of attempting to operate under these conditions strips of highway are constructed here and there, throughout the state, and so constructed without reference to connected links as between one such portion and another, the officials cannot be blamed. The natural tendency under present laws is to construct highways for local use in the counties so far as county funds and county portions of the state funds will do so, leaving an inadequate amount of funds under state control, to link the roads of one county with the roads of another, so that a real state system of highways will be constructed.

Going back to the red tape features of the situation. Arizona has the benefit of appropriations from the United States, for joint highway construction of post roads, and roads through the forest reserves. Arizona has "matched" the amount of those appropriations and the public wonders why no more actual roads. The answer is that every road which is to be constructed from such joint funds may call for a prior adoption of plans and specifications by state, county and federal authorities. The conditions may be such that two or more federal bureaus must first accept those plans and specifications. Any changes made in plans or specifications, as the initial proposed plans and specifications pass from one to the other of those authorities necessitates a complete circuit over and through the same course again. Such a course results in delays—unavoidable delays. No blame can be attached to any of the authorities who are required to act, and who are finally required to all agree, before any actual construction can be commenced with those joint state and federal funds. The underlying cause of the delay is the red tape found in the state and federal laws. The final analysis of that "red tape" is that those laws fail to so centralize the power to act, that there may be quick and decisive action on the part of, and for, either state or United States, in the matter.

General Public Is for Good Roads

But with all the difficulties to be encountered before work can be commenced, Arizona is building highways. Not a single county has defeated any proposed bond issue for highway pur-

poses. Several of the counties have repeated in the matter of such bond issues. The people in general are for good roads. The commercial and industrial progress of the state depends in a large measure upon the construction of highways which will carry the traffic necessary to that progress. The demand for such highways is an immediate and pressing demand. The development of the state is being hampered for lack of such a system of highways as will meet that demand. Arizona has never fallen down for lack of funds to do what is necessary to be done towards advancement. It goes without saying that Arizona will keep pace with other states so far as highway construction goes, so far as the necessary funds may be concerned in such construction.

Good Roads, Good Business and Controlling Power to Act as a Remedy for Red Tape Delays

The funds which are raised by bond issues must be voted by the property taxpayers of the state. No matter whether those funds are to come from county bonds or state bonds. The tax-raised funds for highway purposes come from the same source. The business end of the whole matter is essentially a taxpayers' proposition. The matter of amending the state laws so that highway funds will be expended without unnecessary "red tape" and otherwise along lines of good business rules, is a legislative matter. If the taxpayers of the state are ready and willing to meet the requirements as to necessary funds, then it should follow that the legislative power of the state should accede in some degree at least to such legislation as will eliminate useless routine, unnecessary expense thereof, and place power to act where that power can be effectively, quickly and properly used. Road building in which federal funds are to be used jointly with state funds is one of the situations to be dealt with by legislation. There must be authority to act for the state in connection with those federal funds. There should be no attempt to so legislate as to matter of placing that authority in such manner that the law will not harmonize with the provisions of the state constitution. The constitution now provides that "the governor shall transact all executive busi-

ness with the officers of the government, civil and military," such provision must be the foundation upon which powers for action in the matter of joint federal and state highway construction must be based. So, in any legislation which has for its purpose the creation of a power in this state to control the matter of state highway construction, that constitutional provision must play its part. It is not a question as to who may, or who may not, be the governor of Arizona. As governor, whoever the person may be, or whatever his politics, his constitutional powers exist, and cannot rightfully be ignored. And when an attempt is made to wipe out all those things which fall under the general head of "red tape" as connected with high-

way construction, an attempt which must have an element of simpler methods, and consequently, must tend towards more centralized power for action, then, to cover the whole requirements and meet all conditions, state and federal conditions, as well as state control alone, the executive head of that power will naturally be the executive of the state.

If Arizona is to keep abreast of the times in the matter of highway construction it must discard everything which tends to retard her progress in that line. If necessary to that end, she must discard the idea that effective, efficient and proficient action cannot follow from a centralized power for action. If it be true that as the result of present laws

which require too much in the way of "advisory" action, require too much in the way of "co-operative" action as between various boards and bodies, highway construction is actually held back, then actual experience has taught the fact that some one power should exist to act. If such a power is vested along lines of centralized power, by abolishing advisory and concurrent action on the part of other powers, its responsibility is also more centralized, and the people which created it can more quickly call it to account in event it fails to come up to what the people want. The people do want good roads and they want them without any unnecessary delay due to red tape and bureaucracy methods.

Assessed Valuations by Counties, With Some Commonplace Suggestions

On the title page of this Magazine the various counties of the state have been arranged in the order in which they fall with respect to valuations of the taxable property of each county, as those valuations were fixed upon the tax rolls for the year which is just closing. Under those figures, Cochise county is credited with an assessed valuation of \$172,142,-473.34; it pays 20.13 per cent, which is over one-fifth of all the taxes raised in the whole state for state purposes. Take the first three counties on the list in the order named—Cochise, Gila and Yavapai—and it appears that these counties pay over one-half of all the state taxes, 54.79 per cent of all to be exact. If the census figures were available, those figures would undoubtedly show that the other eleven counties have a population which would more than offset the percentage of valuation shown for the first three counties named. In other words, the property values in Arizona for taxing purposes are found in places distinct from the population of the state which finally controls the matter of public expenditures for state purposes.

Property Values of State Must Bear Tax Burdens

The property of the state must of course bear the burden of supporting all the public activities of the state, of its cities, towns and counties. That same property must be so handled by its owners that it will maintain its earning powers as an indispensable condition to ability to carry that burden. That same property has many other burdens of

public nature, aside from the burden of supporting state and local public activities. Those burdens must be carried and met from the business connected with that same property. No matter how public spirited the taxpayers may be; no matter how much the managers of any property of the state may have the general progress and advancement of the state at heart, they must still plan and act to the end of making their particular private activities as connected with that property, such as will make the property itself earn its way, including all public burdens imposed upon it. In a sense, therefore, the activities and welfare of every business in the state of Arizona, are matters which concern every citizen of the state. Whatever of a public nature is required towards the advancement of the interests of the state, or required to the end of reaping in full all the opportunities which abound in the state, is more or less centered in a continued success of present business enterprises within the state. If the growth of the state depends upon the further development of the mineral resources of the state, or, if that growth depends upon an extension of its agricultural resources, or depends upon an extension of any other resource of the state, the real incentive which will induce more of the present population to enter into the matter of such development, and the real attraction which will draw a larger population from other places and as an inducement to its members to take their place among the developers of Arizona, not the least to be

considered element in such increase in any line of industry, will always be that factor of success which has marked the progress of similar lines of activities in Arizona in the past and in the present. The progress of the future in fact depends upon continued success along every line of present endeavor in the state.

With the Power to Tax Almost Unlimited, Property Interests Essential to Fairness in Taxation

The power to tax is an almost unlimited power. The power of the majority to vote taxes upon the property of the minority is a power which can be abused to the extent of actual oppression. With not more than thirty-five thousand real and personal property taxpayers appearing upon the tax-rolls of the state of Arizona, which number includes all taxpayers, whether individuals or companies, there remains an overwhelming majority in the state, who may directly and indirectly exercise the power to tax the other fellow's property. Real good faith on the part of that majority is all that now prevents an actual abuse of the taxing power. If to that element of good faith and fairness, there can be added an element of real interest on both sides of the question of taxation problems, an interest on account of contributions to those taxes, as well as reaping the benefit from the expenditure for public purposes of the amounts raised in taxes, such an element would tend to a more conservative use of public funds.

(Continued on Page Four)

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS' ASSOCIATION OF ARIZONA

Subscription JUNE, 1920 50 Cents

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*Address all communications to the Secretary, 21 West Washington street, Phoenix, Arizona.

ASSESSED VALUATIONS BY COUNTIES

With Some Commonplace Suggestions

(Continued from Page Three)

If every citizen of the state were a taxpayer, then every citizen of the state would be personally interested in all problems of taxation and in all propositions involving public expenditures. Possibly one of the reasons why the amount of public expenditures have increased throughout the entire country, may be found in the fact that a majority of the people of the country contribute nothing themselves towards those expenditures.

Home Life the Foundation of a Stable Union of Free People

One remedy for the situation may be found in creating more public sentiment in favor of the old fashioned home-life. The public may do well to retrace its steps to where it left off the idea that the home was the real center of the pleasure of individuals. Instead of practically weaning the younger members of the family from the home almost before they are weaned from their mother's breast, the home life should be so attractive that nothing at all in the rush

and glamor of counter attractions could accomplish that weaning process. This statement savors of subjects foreign to anything which at first blush is connected with taxation questions. But is it foreign thereto? If every child had imbued in its mind the idea that future pleasure, future real happiness, would and could be found in a home of its own when that child reached womanhood or manhood's estate. If it aspired to a real home as much as many children now aspire to things of unstable nature though for immediate pleasure, perhaps, then the ambitions of our growing youth would be to become real home-builders. That ambition would not be satisfied, until it was realized. With every town, city, and community in the state, populated by a majority of "home-owners," with the youth thereof imbued with that ambition to become such an owner, then a situation would arise which would directly effect every question involved in taxation and every question involved in the economical expenditure of public funds, confined to such subjects for expenditure as were really necessary to public good. With every member of the majority of our people actually interested in every phase of the matter, all questions of inequality of burden as compared with benefits to be received would largely disappear, due to the immediate personal interest which would then be present in every member of the public.

Can the public be induced to retrace its steps and once again return to a course of conservatism in the line suggested? If that public did come to realize that the stability of the American institutions depended upon the act to be done, would that public act? If the perpetuity of American ideas of liberty, right, and justice, as between man and man, should in fact depend upon such

stability of the units of the American people as could come only from a majority will of the people expressed by home-builders and home owners, would the American people work out that solution to the end of that perpetuity? The answer is that they would do so.

Other Industries of State Should Be Developed to Equal Mine Wealth

There is no reason why the mining communities of Arizona should represent the majority of the taxable wealth of the state. There are millions of acres of lands yet unclaimed within the borders of the state. The reclamation of that may be a subject of public activity. The details to be worked out. But with those details worked out, and to the extent that such lands can be reclaimed, to that extent at least the individuals who become owners of any portion of the lands, will become home-builders, and will become taxpayers. Those owners, will become stabilizers in the affairs of Arizona. That stabilizing process need not be confined to lands alone. Any one at all of the many opportunities in the state, which is accepted by an individual, and which is by him made the object out of which his success in life depends, will make that individual a real citizen of the state. When the person becomes permanently interested in the state, that person becomes permanently interested in everything which may pertain to the permanent welfare of the state.

Whether the questions above suggested can be actually solved or not, the fact remains that the nearer the whole public approach to a mutual interest in public finances actuated by a common interest in a common burden, the nearer will be the approach to a solution of what to many now appears to be an inequality as to the distribution of those burdens.

"Other Sources of Revenue" as Bearing Upon County Taxes and Limits Thereto

As pointed out in another article in this same issue of the Magazine, the annual estimates required by law to be made as the basis of taxation, must be considered and treated as limitations upon the power of boards of supervisors to tax for county purposes. When the same law which requires an estimate also contains provisions for levying taxes, according to that estimate as finally adopted, there seems no escape from the proposition that every provision in that law which has to do with the

amount of taxes to be levied and assessed, is to be likewise considered as a limitation in and of itself.

Supervisors Adverse to Recognizing Intended Limits Upon Taxing Powers

During all the years which have passed since the statutory provisions which relate to the above matters have been in effect there has been a disposition on the part of boards of supervisors in many counties to ignore the intended effect of those provisions and require absolutely

positive and distinct language against their action in dealing with the matter of limits, before such boards would recognize any limit at all. That position is one well calculated to defeat the very purpose of the law. That law was intended as a limitation law, and every implication should be accorded in its behalf, that it be such in its actual operation and effect.

Tax Limits Means a Limit as to Increase Taxes

If that law is to be construed as a limitation upon taxing powers, then the words of the statute that: "the taxes levied shall not exceed the amount specified in the published estimates," when read in connection with the words: "and in no event shall the aggregate amount of taxes to be raised, excepting taxes for school and bond purposes exceed ten per centum greater in amount than the total sum levied and collected from all sources other than school and bond purposes during the year next prior to that in which the levy is made," are words referring to taxes to be raised as the one subject of those provisions, and that being so, the quoted words should be read to mean, just what the supreme court has said they mean, which is that the taxes to be raised shall not exceed by more than ten per centum the amount of taxes raised and collected for the preceding year, no other construction will give to the taxpaying public the protection which the law intended.

But the words: "other sources of revenue," and the words: "collected from all sources" also appear in the same law. What meaning is to be given those words? Going back to the first mention of the "estimate" which must be made, published and finally adopted, and with that "estimate" as the one subject dealt with, there appears these words:—

"The board of supervisors of each county shall levy and collect . . . on an estimate for county purposes . . . additional taxes for such purposes, which together with other sources of revenue, shall not, however, aggregate a total sum of money . . . ten per centum greater than the sum levied and collected from all sources during the next year prior to that in which the levy is made. The said estimate shall contain a statement of the amount of money required for each item of expenditure necessary for county purposes, etc."

Quite plainly, if the two subjects are kept in mind when reading the entire act, the legislature has in fact placed

two distinct limits upon the powers of the respective boards of supervisors. By amendment to all previous laws which deal with the powers of county boards, as those powers existed prior to statehood, the legislature plainly says that all proposed expenditures necessary for county purposes must be so proposed and included in an estimate. Still speaking of those estimates, the legislature says that it shall not contain items which in the aggregate of items will propose an amount exceeding by more than ten per centum the aggregate of all taxes levied, and all amounts collected from all sources of revenue during the previous year. In other words, the legislature has first made a limit upon the aggregate amount which such boards may propose to spend for a new year, as compared with the old year. Those boards must not propose an estimate the aggregate amount of which for all purposes other than school and bond purposes, exceeds by ten per centum the entire revenues of the county for the previous year. That foregoing is the first limitation placed upon the powers of the boards. The second limitation goes directly to the amount of the adopted budget which may, or which may not be raised by direct taxation.

As construed by the courts, that second limitation is to the effect, when applied with the first limitation as above outlined, that no matter how large the proposed budget may be, its aggregate items cannot exceed by ten per centum the total revenues of the prior year, and without regard to that aggregate amount, and without regard to how much of that total it may be estimated will be derived "from other sources of revenue" than direct county taxation, the total amount which may be raised by such direct taxation, must not exceed by ten per centum the amounts levied and collected in taxes for the previous year. The meaning of the law, as carried into its various provisions, being that the total burden of taxes upon the taxpayers of a county for county purposes, shall not be increased more than ten per centum from one year to the other.

Limit Upon Taxes and Also Limit as to Plans for Expenditures as Proposed in Estimates

The boards of supervisors are not prohibited from proposing expenditures for necessary county purposes, if the entire proposition as to all such proposed expenditures does not go ten per centum higher than the revenues of the county actually received for the previous year.

But no matter how the boards may estimate the amounts of that estimate which will be cared for from "other sources of revenue," they may over-estimate, or they may under-estimate the amount of these revenues, whether they do or not, does not change the situation. The boards are bound by the law not to levy a tax rate which will produce in excess of more than ten per centum the actual tax levies, and tax collections of the previous year.

Some use and application must be found for the words: "levied and collected from all sources." Where in the law those words appear in direct connection with taxes to be levied in one year as compared to taxes levied and collected in the previous year it is fair to presume that those words refer to the actual funds realized out of and from the tax rolls of the counties for the previous year. It is a well known fact that certain property upon the rolls appears delinquent year after year. It is also well known that the delinquent taxes of one year dribble into the county treasury in future years. If then the words "levied and collected from all sources" is construed to mean "sources of taxation," and think for the moment, **that the legislature may have meant to keep the counties out of debt, by preventing an amount of taxes levied but not collected,** from becoming a basis upon which to compute the limit as between years, then the way is clear for a full use and meaning of every word in the whole tax levy law.

Summing the whole matter up. A consistent view of the whole law is that boards of supervisors are not permitted to plan in such manner that county expenditures (except for school and bond purposes) shall increase in a ratio to exceed more than ten per centum from one year to the next. Those boards may plan within that limit and may suggest to the taxpayers what amount of those expenditures can be met from revenues other than taxation. But when it comes to fixing a tax rate, that rate must not be such as will attempt to raise in total taxes upon the tax rolls of the county, for county purposes other than school and bond purposes, more than a ten per centum increase over the taxes actually levied upon, and all taxes collected during the previous year. The boards of supervisors are not permitted to so propose their estimates as to other sources of revenues, in such manner as to defeat the purpose of the tax levy law, as a law intended to keep actual taxation within the limits of, the increases permitted therein, but not to be exceeded.

Keeping Faith With The Taxpayers as to Bond Funds

When a budget system is suggested it means that definite plans be laid which will control the purposes for which public money is expended, and will also control the amount which is to be available for each purpose, and will also control the action of expending officers of the public in such manner that those officers will not be permitted to make new plans, change old plans, expend what is in sight, and so manipulate affairs that the public is forced to come to the rescue with additional funds to complete those public activities which that same public had been led to believe had already been financed.

Public Has Always Come to Rescue to Meet Deficits

The history of public expenditure in all the states, and Arizona is no exception, has been to start some public project with the first funds authorized in connection therewith, and regardless of whether the legislature had authorized the project and at the same time appropriated to take care of it as a completed project, public officers in charge of the work of putting those projects through have too often injected their ideas as to what the public needed for those ideas of the legislature expressed in words of appropriation, therein fixing the cost, and thereby indirectly limiting the administrative officers to so plan the work that it would be completed within that appropriation. On the contrary, there have been public buildings without number which have been planned by administrative officers on such a scale that the original appropriation has been only a small portion of the amount to be required to complete the building as finally planned and first started. Those public officials who have thus tactfully ignored the appropriated amount have been supported in so doing by the good nature of the public. The public has always come through with the funds, and to the minds of such officials that same public always will come through and complete what their agents—planning and expending agents—start for them.

Will the Public Always "Come Through" for Over Expenditures?

The public always has come through. That is certainly true of the past, but will it be true of the future? That same public today is facing the largest demands upon it for public expenditures of

all kinds that an American public has ever faced. The interest upon the public debt of the United States, when added to the administrative cost of collecting the income taxes, amounts to a sum in the aggregate for interest alone more than the total bonded indebtedness of the United States, as that debt existed prior to the late war. The cost of carrying on the activities of the United States government has so increased in the last five years that congress now speaks in the billions when dealing with appropriations for annual governmental costs, as compared with appropriations of millions only prior to that five-year period. The expenses of state governments has increased almost in like proportion. In Arizona the taxes for all purposes, state, county and municipal, for the fiscal year 1919-1920, amounted to over \$16,000,000. This is over four times the taxes which were raised in 1912-1913. The same list of taxpayers, the same taxpaying property, is being called upon to pay these enormous increases in public expenditures, and the increase is so large that the taxpaying public is becoming aroused to an alertness as to the matter of where the money goes. With that alertness it is not so certain that because, through an indifference in the past, the public has always "come through" with the funds to complete its projects it will always do so.

Taxpaying Public Really Figuring Ways and Means

The question of ways and means is before the public as it never was before it in the past. The smaller taxpayer has his problems of high cost of living, with his earnings not increased in the adequate proportion to stand the strain of increased demands for public purposes. The larger taxpayer is confronted with demands for increased wages and salaries from his employees. He is confronted with income tax problems more serious in effect upon his business plans than ever before. The entire public is using its pencil and doing some figuring. At least that portion of the public whose conservatism, thrift and energies in the past has made possible the financial wealth of the United States of the present, is figuring. That public is looking into things. It is endeavoring to find leaks in the cost of things. It is not confining its efforts in the direction of those leaks, to such matters as concern the personal business affairs of the individ-

uals of that public, but that public as individuals are looking into the public finances, looking for leaks, looking for unnecessary over-expenditures in public money; is even comparing the necessity for one proposed public activity that may be new and may be necessary with older ones. Is figuring to weed out the unnecessary drains of the cost of continuing what as a public activity is no longer conducive to public progress and public advancement. As between two new projects, the prior necessity of and for the one is being weighed as to the other, with the question asked and answered in the minds of that public, if both may be necessary and under present conditions only one can be presently afforded, which one shall it be. That public is figuring itself away from promiscuous and indiscriminate public expenditures, let the cost in the aggregate be what it may to the general public. The increased cost of it all is making the conservative public take such notice that it is dwelling carefully upon the "why" of that increase. That public is beginning to realize that it has been duped. It sees that it has been looked upon as a ready and ever willing source of revenue to put over whatever its administrative agencies may undertake. It sees the answer to that glaring increase in public costs of administration and costs of administrative governmental projects and purposes, in the fact that it has always come through and met the bills be the final amount what that amount may be, regardless of prior plans and prior appropriations.

Amounts Voted for Bonds Should Meet Final Cost of Bonded Projects

When the taxpaying public is called upon to vote its sanction to a proposed public purpose, and with that public purpose fully outlined to the extent of showing what the public may expect as the result of bonds voted to pay the expense and cost, that same public has the right to assume, that with the money expended, those results will be present. It matters not what the purpose may be, when the public votes upon that purpose, and provides the money to accomplish it, good faith as between the public agencies who are clothed with power to carry out the plans as voted and the public which granted that authority, approved the plans, and voted the money, demands that the completed project be in sight within the funds so voted. If

that project be a system of highways to cover a certain portion of the county it is no different than if it were a new public building. The public has a right to expect that when the funds which were voted to build the system have been spent that public will then enjoy the full mileage of the highway system just as fully as the same public would certainly expect to enjoy a single completed public building. Either should be completed within the funds voted.

Why Public Should Be Advised If Bond Money Is Insufficient

There have been several instances in this state where bond issues have been voted by the people. Several road bond issues, water supply issues and other issues for public service purposes. In several of those instances the public officials have known of such changed conditions as to raise doubts about completing project within limits of the bond funds raised before the work of constructing the project was started. In each such instance action has been taken by the officials in charge to use all the funds to complete as far as possible that project, depending upon the old established precedent that the public will come through with the balance in event

of an actual shortage in funds. No idea seems to have entered the minds of those officials about consulting the whole public. No idea of fully and fairly submitting the whole voting public, the exact situation of affairs which rendered it impossible to carry out the original plans according to the voted authority, and within the authorized amounts voted, and let that whole public act upon that report. It may be true that some members of the public may have been consulted, and may have sanctioned the "go ahead" policy. But by what authority did those members thus consulted, attempt to speak for the whole public? The only authority with any semblance of precedent, was the fact that the public always has come through, and it of course always will do so. And that is the point.

There may be a limit beyond which the public will not go. There may be a limit as to the amount of public expenditure which that public can stand and not break under the strain.

Under a fully working budget system there would be no question as to the course which officials would be required to take. They would certainly have to plan within the budget amount. Under conditions as they are, however, public

officials in dealing with the proceeds of bond issues may be confronted with a voting public which will not overlook a seeming breach of faith and will refuse to come through.

No matter how much roads or public buildings are needed, the matter of funding the cost thereof is a matter to be submitted to the voting taxpaying public. If the public has voted insufficient funds for a proposed project, the safer way would be to again submit the proposition to that public, rather than try to force its hand. The public can be led, but experience has taught that it cannot be driven. In event that same public, should for any reason, arise to its full authority in the matter, and refuse to vote more bonds under the circumstances which have been pointed out above, not only would the matter of building necessary roads receive a serious setback, but the result might be that such setback might take the form of an absolute refusal by the public to vote other bonds for other projects. To avoid such contingencies, the officials should keep faith with the public, and should not go ahead before they have the sure sanction of the whole taxpaying voting public to the ultimate requirements of funds for any project whatever.

The Annual Estimates Required as Basis for Tax Levies

The time has again arrived when the boards of supervisors of the various counties in this state, must go into the matter of planning for the expenditures of their respective counties for the new fiscal year, which begins July first, 1920, but the estimates for the expenditures of which year do not, for county purposes, become actually known until the second week in August coming. This Magazine has several times pointed out the fact that the revenue laws of the state should be so amended, that prior to the beginning of each fiscal year, the boards of supervisors may have before them for their consideration complete statements as to actual requirements for county affairs of the previous year, with full reports as to what is termed "incumbered funds," but which means no more than liabilities incurred on account of partially completed activities, which are planned in one year but not completed until the next, or possibly several, next succeeding years; should also have before them complete balance sheets, showing all unexpended, and unincumbered funds, remaining after all activities in the purposes for which funds

were provided have been in fact completed. This Magazine has repeatedly called attention to the fact, that idle funds are permitted to accumulate, with no account taken of those funds, or balances of funds, in considering the amounts necessary to be raised in taxes for the new year. As to all those matters, it has been heretofore pointed out that the provisions of law regulating reports of county officers as to matters which would give the desired information to the county board of supervisors, are in fact tardy provisions. The reports are not in prior to or at the time, when the boards are preparing their annual estimates. But, regardless of those facts, there is nothing in the law which prohibits any board which has in mind the rights of the taxpayers (those rights which should be protected from any taxation beyond the real needs of a state or county) from ascertaining the true facts, and with those facts so ascertained, deal with balances in funds, and deal with all unused and unincumbered funds, in such manner as to make those balances, credit balances, to be deducted from the amounts of expenditures pro-

posed in the new estimates, so proposed for the purposes and public activities of each year. The board has power to fix upon and determine what particular amounts will be expended from the general funds, from the road funds, and from the school funds even, subject to the limitations of law which apply to each of those respectively. The boards of supervisors as such are no more and no less, than the business heads of their counties. There exists no provision of law which prevents such action upon their part as will result in applying credits to the extent of unused balances, applying such credit balances as a reduction of and from the total proposed expenditures of a new year. Nothing to prevent such boards from using good business rules and business practices, and not raise additional new funds for purposes as to which there remains unexpended amounts in hand, available for, and which may be applied to the requirements of a new year.

Supervisors May Properly Give Taxpayers Benefit of Lessened Taxes

Among the powers of the board is the power, subject to certain limitations of

the revenue law, to determine how much shall be raised by taxation in each year. That same power vests in the boards of supervisors the incidental power to deal with the financial problems of their counties, in such manner as their good business discretion may prompt them to do. It is not beyond their powers to give the taxpayers the benefit of lessened taxes, if a proper allowance for unexpended and unincumbered balances of funds may result in so lessening the tax rate, while at the same time providing sufficient funds to be available for the aggregate amounts required by the estimates.

The Plan of Raising All the Money Possible Not to Be Commended

The idea of raising all the money which any and every stretching of the law will permit to be raised, doing so just to have enough money on hand to meet every possible future suggestion as to use of money, is not good public business judgment. So far as such an element enters into the tax-raising actions of boards of supervisors, it is to be condemned. If the estimate law means anything at all it means that the adopted estimates are budgets, and being so limit the amounts, and control the purposes for which county money is authorized for use in any fiscal year covered by that budget.

It is stated above that the estimates are in reality "budgets" as the basis of and for county taxation, and limits upon county expenditures. A reference to the provisions of the estimate law warrants that claim. The law reads:

"It shall be the duty of the board of supervisors . . . not less than thirty days prior to the date on which the annual tax levy is made, to make estimates of the different amounts required to meet the public expenses for the ensuing year and to be raised by taxation in such county."

Leaving out the particular items which are required to appear in that estimate, and passing on to other provisions of the law, the following appears:

"All taxes shall be levied or voted in specific sums, and shall not exceed the amount specified in such published estimates."

This last provision must mean that the boards of supervisors have no power to increase the amounts as first proposed in the published budgets. But the law contemplates that such estimate may be reduced, where it says:

"It shall be the duty of boards of supervisors . . . to meet one week previous to the day on which they levy taxes, and at the time and place designated in said notice, when and

where any taxpayer who may appear shall be heard in favor of or against any proposed tax levies. When such hearings shall have been concluded, such board of supervisors . . . shall adopt the estimate as finally determined upon."

Thereafter at still another meeting the real tax rate is computed, which will be sufficient when applied to the total assessed valuations of the property taxable in the county, to realize the taxes so voted in the aggregate amounts as finally adopted in that estimate.

Any attempt to give a less effect to the provisions of the law pertaining to estimates, than the effect as above pointed out, leaves that law without meaning and without effective purpose.

Estimates Must Be Fully Itemized

Returning to other controlling provisions in the estimate law. That law requires those estimates to be "fully itemized," showing under separate heads the amounts required for each department, public office and public official. Also showing under separate head the amounts required for each public improvement, the amount required for the maintenance of each public building, structure, and institution. The amounts required for salaries of each public officer, and employee. The amounts required for the maintenance of public highways, roads, streets, and bridges. The amounts required for the construction, operation, and maintenance of each public utility, and such estimate shall contain a full and complete disclosure and statement of the contemplated expenditures for the ensuing year. And shall show the amount proposed to be expended from each separate fund and shall show the amount of public expense, entered on the minutes of the board with the estimates of the previous year. There is no uncertainty about the meaning of those provisions. In fully itemized detail those estimates must show what it is proposed to expend for a new year, side by side with what was expended the previous year, with the estimated amounts of the previous year added thereto that the basis for comparison and analysis might be complete. No public fund, nor public purpose, as the basis of expenditure of public money, is absent from the required estimate. In short it—the requirement for an estimate—is nothing more or less than a requirement that county boards of supervisors present to the taxpaying public their report of what has been done, their proposed new business for the new year, with such information as will enable that public to be heard in approval or in protest. When the estimate is

adopted, it can serve no purpose, if its items are disregarded, its amounts exceeded, or, if it does not actually control the action of the boards as to the subjects and purposes mentioned therein and adopted therewith. It could not have been the purpose of the legislature to require estimates, require and provide for hearings, require a final adoption of that estimate, require taxes to be levied in accordance therewith, and with it all leave the boards free to thereafter disregard it all. Those estimates are "not waste paper" documents to be ignored at will by public officials.

ATTENTION Graduates of Tempe Normal School

Complying with the request which appears in letter, printed in full below, the Magazine calls attention to a notice which accompanied the letter. All as follows:

To the Editor,
ARIZONA TAXPAYERS' MAGAZINE,
Phoenix, Arizona.
Dear Sir:

I am enclosing herewith a notice and would ask you to publish same in a few issues of the TAXPAYERS' MAGAZINE as a matter of importance to some of your readers and as a means of assisting one of your state educational institutions in perfecting a piece of work that is intended to be of advantage to the institution as well as to the individuals interested.

Thanking you for this and other favors of a similar nature through the columns of the TAXPAYERS' MAGAZINE, I remain

Sincerely yours,
A. J. MATTHEWS.
President.

"It is desired to bring the records of the Tempe Normal school down to date, and for this purpose it is necessary to secure the present name and home address of every graduate of the institution.

"It is hoped that prompt replies may be received, furnishing these facts and such other information as may be of interest. Address A. J. Matthews, President, Tempe Normal School, Tempe, Arizona."

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ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS' MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME SEVEN

PHOENIX, ARIZONA, JULY, 1920

NUMBER SEVEN

A Street in Litchfield Maricopa County



The new town of Litchfield is the center of some 20,000 acres of cotton land which has been redeemed from the desert adjacent to the Salt River valley project during the past two years.

EDITORIAL COMMENT

What the People Will Know as to State Finances if Budget Law is Fairly Enforced

Arizona has a budget law. Its full provisions appear as Chapter 61, Session Laws of 1919. The state has been working under certain of its provisions for a year. Coming into full force and effect as it did, near the close of the fiscal year, 1918-1919, it could not be expected that every provision of the law be made effective for the new fiscal year beginning July first, 1919, and ending June 30, 1920. The best that state officials could do, was to so shape matters that the law would work itself into full effect as soon as practicable. There was difficulty in attempting to apply the provisions of the law to actual financial operations during the past year, and for reason of those difficulties, there have been complaints made from some quarters that the law is not such a law as can be applied. Those complaints seem to have foundation only in the fact, that the budget law, no different in effect from any new law, requires a change from the old order of doing things, to such an arrangement of accounts pertaining to all state finances as will give the budget law full force and effect. It is a matter of historical fact, not idle assertion, that our several legislatures attempting to act upon such old system of keeping records of accounts, contracts let and partially performed, unexpended balances encumbered and not encumbered, as well as actual cost of maintenance of offices and institutions, found that old system lacking in detailed information such as necessarily required, and so required to the end of intelligent legislative action in making new appropriations. To entirely change that system of accounting and keeping of accounts, and of making reports, the 1919 legislature did enact the present "budget law." This article has to do with such portions of that budget law as pertains to action by public boards, commissions, and officers of the state, and in that regard, to such portions thereof as have been in force, and provisions which have applied to action required, during the entire past fiscal year. Action on the part of every head of every office, board and department in charge of disbursing state funds to state activities, that a foundation be laid for more detailed information, and a foundation

for the October reports from such heads of offices, boards, and commissions, as will permit the framing of the real "budget" to be finally submitted to the next state legislature. If the action required is taken by the respective officers, and so taken with the idea of making the budget law effective, then that law will be effective. If, on the other hand, those officers or any of them, presently assume an attitude, which embodies the idea that the law will not work, and with that attitude assumed, fail to presently do, what the law requires them to do, that the "budget law" may be finally effective, such an attitude may impair the final effectiveness of the law, and tend to defeat its real purpose. Regardless of what has been or may be the attitude of any officer towards the budget law, there are certain of its provisions which define duties, and these provisions are quoted below, as follows:—

"It shall be the duty of the head official of every office, the chairman of each state commission, the chairman of every state board, the officer in control of each state institution, and the person in charge of the distribution or disbursement of the funds of any and every other state agency, to make or cause to be made the reports required by this act, setting forth the financial condition of the particular state agency of which he is the head, chairman or controlling agent. . . . On or before June 30th of each year it shall be the duty of the Governor, to have prepared and distributed to the various officers, boards, commissions and agencies of the state, forms with explanatory instructions, upon which to make the reports as above required. . . . Said forms shall be so prepared that the reports made thereon shall tabulate the items pertaining to each subject, object or purpose appearing therein, all so stated as to be readily compared with each and every other reference to that same subject, object and purpose. Said forms shall provide for and require a statement of the amount of each and every appropriation to each and every fund under the control of the state agency whose report it is to be; the actual amounts received and placed to the credit of each such fund, including therein the balance remaining at the be-

ginning of the fiscal year covered by such report; the encumbrances outstanding against that balance arising from prior activities; the amount of the true unencumbered balance of each and every fund. Said forms shall further require the particular amounts received during the year and credited to each fund; the sources thereof, whether from taxes, appropriation or other source; and shall show the revenues, if any, during the previous year, but not actually received and credited to each fund. Said forms shall require such a classification of the items and details pertaining to actual distribution of revenues to funds, as will clearly disclose the actual distribution of revenues according to the specific objects and purposes stated in appropriations and that each item of expenditure was for a purpose and object stated in the appropriation from which that expenditure is made. Said forms shall require such separate and distinct segregation of each special activity of every department, commission, institution, office, and other agency, that the revenues for the support of each activity as mentioned in any appropriation, the distribution of those revenues, and the expenditure and use of the money thereof, shall appear distinctly separated from the revenues, funds and expenditures of each of the other activities of that same public agency. Said forms shall require such a summary statement of the financial affairs of the fiscal year reported, as will show in the various subdivisions and classifications of said report, the amounts actually received and credited to each, the amounts due and unpaid to each with the sources from which due, the actual expenditures from each, the balances actually remaining to the credit of each, and the amount with which each may have been encumbered by the activities of that fiscal year, all to be stated in such manner as to show the real amount available in each fund for the activities of an ensuing fiscal year.

"Said forms shall require details as to the monthly cost of each public activity, setting forth the salaries, wages and expenses paid; the cost of supplies used each month; the number of employees; the duties of their employment, the monthly, semi-monthly, or weekly wages

of each, and whether with or without board; and all other allowances of emoluments. All reports made shall conform strictly to the requirements of the forms furnished, and the explanations and instructions appearing thereon. . . . Every department, institution, commission, office and officer, to whom any appropriation of state funds is made for any public purpose, shall keep such books, records and accounts respecting the use of the moneys of each such appropriation,

as will show the facts required to be shown according to the requirements of the forms or reports mentioned in the preceding section of this act, without reference to other sources of information respecting those facts."

If the foregoing language is followed by the state officials, then the foundation will be laid for such comprehensive reports as to the finances of each office, each department, and each institution of the state, that from those reports the people may know, and the legislature

will know what it actually costs to conduct each and every state activity. With that knowledge, biennial appropriations can be made which will continue those activities, with allowances made for increased demands on the one hand, and reductions on the other, and the people finally called upon to pay for actual needs incident to carrying on of necessary activities, and called upon to pay no more and no less than is actually necessary for that purpose.

Public Should be Interested in Matter of Annual Estimates in Counties---Should Appear and Sanction or Object Thereto

After providing that the boards of supervisors shall prepare estimates which show county expenses and expenditures of a previous year; which show receipts from all sources, and which estimates are intended to be a complete financial statement of the county business of a previous year, that same estimate to also include a fully itemized statement of what is proposed to be done for a new year in county affairs, the law requires that those estimates be published. That same law requires that a day be fixed for public hearings upon those estimates. The day so fixed is the second Monday in August of each year. The purpose of the publication is that the people of the counties may know what has been done, as well as what is proposed to be done, and being advised in that regard the hearing is for the purpose of a conference between the boards of supervisors and the public taxpayers and others interested in county activities. If no one appears at those meetings, if no one objects as to what is proposed in the publications of estimates, the boards are not to be thereafter censured for any portion of what is proposed by those boards, if in the preparation of those estimates, the boards have not exceeded such limits upon their powers, as could not be expected, even though the entire public were present and assented thereto.

The Law Fixes Certain Amounts Which Supervisors Cannot Change

In connection with every estimate, there are certain matters which fix themselves, both as to purpose and amount required to meet that purpose. Such purposes as interest upon bonds, redemption of bonds, salaries of the elected county officers, and assistants in offices, whose salaries are fixed by law. There are the actual expenses of running each office;

the expenses of the courts, other than one-half the salary of judges; the maintenance and upkeep of county buildings, which are expenses not actually fixed, but substantially so fixed, by reference to what it has cost in the past to meet those several classes of county expenses. However, the first proposition which must be considered in connection with the limits upon power to tax, is that proposition which includes such provisions as will provide the funds to meet all of the fixed, currently and annually occurring county expenses such as are in the main above mentioned and referred to as such expenses. With provision made for such expenses, with the amount required to meet same deducted from that aggregate of all amounts which in no event exceed by ten per centum the amount levied and collected in the taxes of the previous year, so far as the aggregate depends upon taxed raised funds to meet and pay those items which are included in the entire estimate, the several boards have to deal with the problem of how much more, within that limit, is or may be available for other general county purposes, and how much may be available for highway purposes.

Many County Expenses are Fixed From Actual Costs

With certain county expenses either actually fixed as to their items and amounts, or so nearly fixed in the light of the cost thereof in the past, the ten per centum limit applies most directly upon the highway funds. In the words of the limitation, it falls upon every fund raised for county purposes, except school funds, and except bond funds, but as above pointed out, and in practice the real force of the limitation is felt in connection with what may be made available for highways.

Supervisors Not to Be Blamed for Results of Limit Upon Power to Tax

It may be an unfortunate situation for any county to find itself in a position where the maintenance of its highways must be neglected for reason of the ten per centum limit. Or, it is possibly unfortunate that the boards of supervisors are without power to erect new county buildings, construct new bridges, or build new highways, out of amounts raised by general taxation of any year. But, regardless of an apparent necessity for so doing, the boards cannot proceed with any such county purpose, if the money for same cannot be raised within the tax limits, or if the amount required cannot be included in the proposed estimate, without making the aggregate of that estimate, in itself excessive in amount. As frequently pointed out in this Magazine, the hands of the boards of supervisors may be tied, are in fact tied by the limits. Those boards are not to be censured for their inability to do what a compliance with those limits, forbids them to do. Furthermore, no portion of the public should present proposed projects which require county funds, in excess of what may become available within the limits. The law itself furnishes an ample reason, and the final reason, why the county boards of supervisors cannot exceed the limits. If it appears to the public, that as to items which are included as proposed, and which, when considered with others which are also proposed, are such as may be of less immediate public necessity, than those others; and, that by increasing the amounts of the one, and adding to the amount proposed for the other, the real necessities of the public may be cared for within the limit of funds available, a consideration of such proposed changes, is certainly one of the matters proper for con-

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PUBLIC SHOULD BE INTERESTED IN MATTER OF ANNUAL ESTIMATES IN COUNTIES—SHOULD APPEAR AND SANCTION OR OBJECT THERETO

(Continued from page 3)

sideration at the public hearings upon the question of finally adopting a county estimate. Certainly, if those public hearings were in fact public to the extent that members of the public made it a point to attend and be heard, a closer understanding as to the real situation would result, and the public would then know at the outset, just why the boards of supervisors could not do this, or do that, with respect to county affairs which depend, for their doing, upon tax-raised funds.

This article refers to the ten per centum limit. Having again introduced that subject, and that our readers may again have before them that interpretation which our Supreme Court has placed upon the law which provides that limit, a quotation from a decision of that court is given, as follows:—

"It goes without saying that the bridge constructed over the Gila river, at an expense of \$18,000.00 to the county, was a "public improvement," and was as

much within the terms of section 4840 as any other of the enumerated purposes for which the board was authorized to levy and collect taxes. The county expenses for which the board, under the tax levy statute, is to provide are all incurred under other provisions of the law of no concern to the board in fixing the tax levy for county purposes, other than to impose the duty of making the levy. Thus the law, under separate enactment, fixes the salary of each public officer or employee of the county; it provides for the maintenance of public highways and public buildings, structures, and institutions, and by separate enactment it provides for the making of public improvements such as bridges. Expenses for all of these are thrown into the same category and must be included in the county budget of the county as provided for in section 4840. The item of \$18,000.00 for the construction of the bridge was as legitimately included within the estimate of county expenses of Graham county for the year 1915 as the items for payment of public officers of the county, or the item for the maintenance of public highways and public buildings and institutions. Indeed, it is imperative, under the law, that it should be included if funds are to be raised for its liquidation. . . .

The board of supervisors, in levying taxes for all county purposes in the year 1915, was authorized to exceed the levy of the preceding year ten per centum and no more, and any excess over that amount contained in the levy was beyond its jurisdiction. When the board discovered that the levy was excessive and beyond the limit fixed by law, it was its duty to scale the estimate down so as to comply with the limitations fixed by sections 4839-4842. It was for the board to determine which item or items of the estimates for county purposes should be reduced so as to conform to the limit fixed by law. If the law limits the expenditures of the county for the current

year so that the payment of some of the debts lawfully and rightfully contracted must be postponed, it is not the fault of the board. . . . The legislature is the source of taxing power, and without a grant from it, no taxes can be levied or collected. It has seen fit to limit this collected. It has seen fit to limit this power, except in special enumerated cases, so that the burden on the taxpayer for the current year may not be more than ten per centum greater than the preceding year. This was done in the interest of the taxpayer, a policy based upon common sense and reason, and upon an experience and knowledge that, unless some restraint be placed upon counties, the burdens of taxation may be severely hard upon the taxpayers. To emphasize the mandatory and prohibitory character of the requirements of the tax-levying statute the legislature, in section 4842, provided that any officer violating any of the provisions of sections 4840, 4841, and 4842 should be guilty of a misdemeanor. . . . If the board of supervisors can expand the limit fixed by law for one county purpose, it can do the same for any and all county purposes. If the board may ignore the statute for one purpose, then it is frittered away, and the burden of taxation which it is intended to curb may be extended without limit. . . . The bridge, being a public improvement, and one of the things expressly mentioned in the tax-levying statute for which the board of supervisors is required to make estimates and include in the county budget, as has been seen, its cost could not be superadded to the budget, already as large as the highest rate of taxation allowed under the law, unless expressly excepted and provided for by the tax-levying statute or some other provision of law."

The foregoing decision amply supports assertions made in this and other articles bearing upon that ten per cent limit provision.

More as to Power to Act Respecting Valuations of Personal Property

In a recent issue of this Magazine, the attention of our readers was called to various provisions of the law which relate to the matter of equalization of values placed upon the property of taxpayers. Attention was called to the particular powers of the boards of supervisors, and powers of the state tax commission in that connection. A decision of the supreme court of this state was also published, in which light was thrown upon the meaning of those provisions, and also light upon the

effect of not calling upon either of above authorities for relief from alleged overvaluation. The Tax Commission was created by the first state legislature in 1912, and its powers granted, which with amendments made in 1913, have existed since. The matter of actually finding out the entire effect of those statutes by court construction and interpretation of that meaning and effect is a more recent matter.

The Superior Court of Pima county recently had occasion to go quite fully into

the law, and in a written opinion filed in a case before it says:

"It may be asserted as a general proposition that where the statute gives full opportunity to the property owner to be heard before some assessing body or body authorized to review its proceedings with respect to the valuation placed upon his property, his constitutional rights are deemed fully protected. One who has the right to appear before a board of equalization or other board authorized to review and correct the action of an assessor is bound by the action of such board if he does appear, and may not question the amount of the valuation in court if he does not so appear and pursue the remedy which the statute gives him. This question was fully considered in the case of *Lewisohn vs. Pima County*, to the opinion in which counsel are hereby referred. So far then as the valuation is concerned, it would seem that the property owner is limited to the remedies afforded him by law before the tax commission. It will be observed that there is no allegation in the complaint that the tax commission in assessing the plaintiff's property or the property upon which it is agreed to pay the taxes was actuated by any malicious or improper motive, or that it acted fraudulently or corruptly. The supreme court of the state, however, has seemed to hold that even a fraudulent or corrupt motive with reference to the valuation of property subject to taxation

does not affect the rights of the property owner. (*Arizona Copper Company vs. State*, 15 Ariz., 9) The case presented by the amended complaint is therefore simply one of gross over-valuation unless some of the allegations with respect to the character of the property affect the rights of the plaintiff, and whatever the reason for the over-valuation may be, in the language of the Supreme Court, "whether the excess is the result of defective judgment honestly exercised or good judgment corruptly and defectively exercised," the damage or injury to the taxpayer is the same whatever the motive of the assessor or even in the absence of a motive, and hence, a taxpayer is limited in the matter of valuation to whatever remedies may be provided by statute in the way of having a hearing before the taxing authorities either original or reviewing. Certainly in the absence of fraud or corrupt motive the taxpayer may not be heard to question the valuation of the property without first exhausting the other remedies provided by law.

"Turning therefore to the statutes regulating the powers and the duties of the tax commission, to see whether an opportunity has been afforded to the aggrieved taxpayer to be heard with respect to the valuation of his property, we find that it is provided by Paragraph 4829 that that body is given power and authority to summon witnesses, to appear and give testimony, and compel the production of documents, (subdivision 7), to

make appraisement and assessment of all patented and unpatented producing mines, (subdivision 13) and "to investigate, (and the said commission shall thoroughly investigate) all complaints which may be made to it of illegal, unjust or excessive taxation." (Subdivision 19.) The powers thus given the tax commission are ample to enable it to fully hear and determine any complaint that may be made to it by any taxpayer respecting any claimed over-valuation or excessive valuation of his property. The commission is given the power and it is made its duty to investigate all complaints which may be made of illegal, unjust or excessive taxation, and this necessarily implies that not only may the taxpayer make the complaint which calls the power of the tax commission into action, but that he might be heard in support of his complaint before the tax commission and may secure the judgment of that body with respect to the question of whether his taxes are excessive or his property valued beyond its actual cash value. There is no allegation in the amended complaint that the plaintiff sought to avail itself of any remedy it had by invoking the powers of the tax commission to review and reconsider the amount of the assessment. So far, therefore, as the right to question the assessment simply on the ground of over-valuation is concerned, the case would seem to be within the doctrine of *Arizona Copper Company vs. State*, supra."

Some Initiated Measures Proposed in Circulating Petitions

The constitution of this state reserves to the voters of the state the power of initiating laws by petitions, and the power to vote those laws into effect at election. When such measures have been adopted by a majority vote, they stand in a place by themselves among the laws of the state. Their exact status as laws, and the continuation as laws, seems to be controlled by an amendment to the state constitution which was adopted by the people at the 1914 election, and which amendment reads as follows:

"(ARTICLE IV, Sec. 6.) The veto power of the governor, or the power of the legislature, to repeal or amend, shall not extend to initiative or referendum measures approved by a majority vote of the qualified electors."

A provision which apparently means

nothing less than a result, that when the people of this state have adopted an initiative measure, its provisions cannot be changed by the legislature, and can only be amended or repealed by similar action of the people. If initiated measures are defective, if they fail to cover the subject, that defect cannot be remedied by the legislature. Thus, the matter of proposing such measures is one to be seriously considered, and so considered at the time the petitions are signed. When petitions have been signed by 10 per cent of the number of voters, based upon the total vote for governor at the last election, and are filed with the secretary of state, whatever the provisions of the proposed measure which is attached to those petitions, those provisions cannot be changed. The people vote upon them as they are proposed. If pending the

final filing of the petitions and the election, minor defects or more serious defects are discovered; if it appears that the initiated measures do not actually "cover the ground" intended, the voters are forced to either reject them entirely, or knowingly accept a law which they do not want.

The situation as above referred to is brought forward, not for any purpose of reflecting upon the merits of any of the proposed measures now before the people for their support to petitions, but simply to challenge attention to the fact that signatures to such petitions have more significance than being matters of mere form. The time for a thorough analysis of any measure which is to be proposed, and which if adopted will shape important policies of the state connected with activities which in their turn

will tend to building up the state, is a time for action which should precede even the placing of petitions in circulation. Laws cannot pass the legislature of the state without a first, second, and third reading of those laws before that body; by analogy, laws should not be acted upon by the people, standing in the place of that legislature, until every voter has at least read the proposed measure.

Having the serious phase of the matter of initiating petitions in mind, the Magazine gives below, a comprehensive synopsis of several such measures, that our readers may have before them some light upon the effect of what is proposed, and thereafter act as their judgment dictates. A synopsis of the "Highway Commission bill follows:

State Highway Department

There is hereby created a State Highway Department consisting of a State Highway Commission of five (5) members; a State Highway Engineer and such assistants, clerks and other employees as may be employed to carry out the provisions of this Act. . . . Within ninety (90) days after the adoption of this Act, the Governor shall appoint one member from each of the following groups of counties:

- (a) Coconino, Navajo and Apache;
- (b) Yavapai and Mohave;
- (c) Gila, Graham, Greenlee and Pinal

- (d) Cochise, Santa Cruz and Pima;
- (e) Maricopa and Yuma;

who shall constitute said commission, each of whom shall have been a resident of the state for five (5) years next preceding the date of the appointment. The members of the commission as appointed at this time shall be appointed to serve for one (1), two (2), three (3), four and five (5) years respectively, as determined among themselves by lot. . . .

Within fifteen (15) days after the members of the Commission shall have been appointed they shall meet at the Capitol Building in Phoenix and organize by selecting one of their members as chairman and one as vice-chairman, and appointing a secretary. The commission shall appoint a State Highway Engineer. Four members of the commission shall constitute a quorum at all meetings of the commission. An affirmative vote of four of the members shall be necessary for any action taken by the commission. . . .

Powers and Duties of State Highway Commission

The Commission shall in general exercise those powers and duties which relate to determining and carrying out the

general policy of the State Highway Department and controlling its financial affairs. It shall exercise such control over the location, establishment, changing, construction and maintenance of highways as is authorized by this Act. The Commission shall have the following powers and duties: (a) To lay out and establish within the first year after their organization a complete system of state routes and issue a map showing such proposed road system. (b) To make all contracts for the construction and maintenance of highways. The Commission may, however delegate to the Highway Engineer the power to make and execute contracts in specific cases. . . .

(c) To formulate and adopt rules and regulations for the expenditure by or under the direction of the State Highway Engineer, of public funds for the construction, improvement, maintenance of highways and other purposes authorized by law, and for letting of contracts for any work which the Commission or the Department is authorized by law to do. . . .

(d) To determine what portion or portions of any state route shall be improved at the expense of the state. (e) To make agreements on behalf of the state of Arizona with the United States government, or any department of the same in any manner affecting the public highways of the state. (f) To make agreements on behalf of the state with any county, city or town, or road district of the state for the improvement or maintenance of any part of a state route, or at the joint expense of the state and county, city or town or road district. (g) To formulate rules and regulations governing the use by the public of state routes and highways such as may be necessary to provide for the public safety and against undue use of the state highways. . . .

(h) To take over the highway work now in progress under the present law. (i) To prescribe qualifications of all employees of the state highway department, and to inquire into their official conduct. (j) To prepare and submit annually to the Governor, on or before the first day of April, a budget for the state highway department for the following fiscal year. (k) To require from the highway engineer complete information concerning the work of the department under his charge. (l) To authorize and require the highway engineer to make such special investigations and compile such special data as the commission may deem to be of value for the work of the department. (m) To establish, open, relocate, alter, widen or change any portion of a state route or state highway. (n) To exercise such other powers and duties as may be necessary to give full

force and effect to the foregoing provisions.

State Highway Engineer

The State Highway Engineer shall hold his office during such term as he may be appointed therefor by the commission but may be removed by the commission for cause. In making the appointment, particular consideration shall be given to executive ability and experience in highway work. The person appointed must be particularly skilled and qualified by at least three (3) years' practical experience in the construction and maintenance of public highways.

The engineer shall within thirty (30) days after his appointment, appoint with the approval of the commission, an engineer to act as his deputy, in case of his absence from the state or inability from any cause to act. . . . The salary of the state highway engineer shall be fixed by the highway commission and his actual traveling and other necessary expenses, incurred in the performance of his official duties, shall be paid by the state treasurer from the state highway fund hereinafter referred to. The salary of the deputy engineer and the salary of each of the assistant engineers shall be fixed by the highway engineer with the approval of the commission and they shall receive their actual traveling and other necessary expenses incurred in the performance of their official duties.

Powers and Duties of the State Highway Engineer

The office of the state engineer is hereby abolished. The state highway engineer shall have all the powers and perform all of the duties of the state engineer as now prescribed by law, and the state highway commission created by this act shall be deemed to have assumed all lawful and financial obligations heretofore created by the state engineer under existing legislation. The state highway engineer shall be the chief executive officer of the state highway department and have control of all work done by the state on state highways and state routes, under the general direction of the commission. He shall have the following powers and duties: and

(a) Act as chief executive and administrative officer of the state highway department. (b) Have charge of all employees of the department and issue rules and regulations for the guidance of all employees of the department. (c) Appoint all persons who may be duly qualified except those already specified, to positions in the department and fix their compensation. He shall outline an organization for the department, fixing the

duties of persons who may fill such positions, but the qualifications for the various positions shall be such as are prescribed by the commission. (d) He may suspend or discharge for cause, any subordinate officers or employees in the department. (e) He shall prepare all plans and specifications for work on state highways or state routes, approved by the commission, and shall advertise for competitive bids for the doing of said work and shall let all contracts approved by the commission for the same. . . . (g) Have supervision of all work on state highways and state routes authorized by the commission, except that nothing in this Act contained shall in any manner interfere with the supervision of the road work, of convicts employed in highway construction, maintenance and improvement as is now provided by law. (h) Have charge of the maintenance and upkeep of all state highways or state routes. (i) Approve all payments for work done by the state on or in connection with state highways or state routes, and no payment shall be made by the state treasurer for such work without the written approval of the engineer or his deputy. (j) Make monthly reports to the commission of all expenditures by the department together with a statement of work accomplished under his direction, and include such other matters as he may determine to be of interest and value to the people of the state. (k) All contracts for the furnishing of material and supplies involving an expenditure in excess of twenty-five hundred (\$2500.00) dollars shall be let only after advertisement for such time and in such manner as the commission shall determine shall have been made for competitive bids for the furnishing of the same. . . . (n) Exercise such other powers as may be necessary to carry on the work of the state highway department as by law provided or implied."

Funds for State Highway Work and Expenditure of Same

"There is hereby created a fund to be known as the state highway fund. All moneys paid into the state highway fund shall be available immediately, without further appropriation, for the purpose of such fund as provided by law. Any sums paid into the state treasury, which by law belong to the state highway fund, shall be immediately placed by the state treasurer to the credit of such fund. Upon requests of the commission or the highway engineer, it shall be the duty of the state treasurer to report to the commission or the highway engineer the amount of the state highway fund on hand and the amounts derived from each source from which such fund accumulated. All accounts and expenditures

from the state highway fund shall be certified by the state highway engineer and audited by the state auditor and paid by the state treasurer upon warrants drawn by the state auditor; and the state auditor is hereby authorized and directed to draw warrants payable out of the state highway fund upon such vouchers properly certified and audited."

All receipts from the following sources shall be paid into and credited to the state highway fund as soon as received: (a) All levies made annually and collected for the state highway fund. (b) From such appropriations as may, from time to time, be made by the legislature to the state highway fund. (c) From all receipts from the sale of bonds that may be authorized by the people of the state for highway purposes. (d) From all special bridge appropriations. (e) From all public donations, including receipts from any allotments or payments of the same made to the state by the federal government or any department of the same, made toward the construction, improvement or maintenance of state highways. All such donations shall be paid to the state treasurer and by him deposited to the credit of the state highway fund for such particular purpose as may be indicated by the donor; provided, however, that the state treasurer shall not receive any gift for such purposes without the approval of the commission. (f) Any balance remaining at the time when this Act takes effect in the state road tax fund created by previous legislation, and all receipts thereafter accruing to such state road tax funds and the state highway commission hereby created shall be deemed to have assumed all lawful financial obligations of the state engineer. (g) There shall be annually levied and collected, in the manner and method in which other state taxes are levied and collected, a tax of two mills (.002) on the dollar, on the assessed valuation of taxable property within the state, and all proceeds of such levy shall be credited to the state highway fund. (h) All revenues under the provisions of existing legislation from the registration of motor vehicles, and from chauffeurs' licenses, and from fines and penalties under this Act shall be credited to the state highway fund, but shall be reserved for the purpose of road maintenance only, and expended under the direction of the highway engineer, subject to the approval of the commission.

The state highway fund shall be available to pay for:

(a) All salaries, wages and necessary traveling and other expenses, including emergency expenses of all persons connected with the state highway depart-

ment. (b) All equipment, material and supplies, division offices, testing laboratories and research work as may be established by the commission. (c) All incidental office expenses of the highway commission, including telegrams, postal, express charges and expenses for printing, stationery and advertising. (d) All machines, tools, or other equipment necessary for the furtherance of the work of the department. (e) The construction and maintenance of state highways and such parts of highways forming state routes as the commission may determine. (f) All land damages incurred by reason of establishing, opening, altering, relocating or widening portions of any state route or state highway.

* * * * *

Increase in Salaries of Public Officials and School Teachers

The matter of salaries of public officers and teachers in the public schools throughout the state, and counties of the state, is made the subject of a proposed amendment to the state constitution, which reads as follows:

That the constitution of the state of Arizona be, and is hereby amended, by adding thereto another article, the same to be numbered XXV, and to read as follows:

Section 1. That from and after July 1st, 1921, and until otherwise provided by law, no teacher in any of the public schools of the state of Arizona shall be employed at a less wage or salary than at the rate of \$1200.00 per school year. No teacher who has had at least eight months' teaching experience shall be paid a less wage or salary than at the rate of \$1400.00 per school year; provided, that for the purpose of this section normal training school experience before graduation shall not be deemed to be teaching experience; and, provided further that the minimum salary set forth in this section shall apply only to full-time teachers employed by regularly organized public school districts of the state of Arizona, and shall not be construed as preventing higher salaries being paid such teachers by any school district contracting so to do. The county boards of supervisors, the county school superintendents and the boards of school trustees or other officers or official boards who fix school levies or who made estimates of or for school expenses, shall include in such levies or estimates an amount sufficient to carry out the provisions of this section and to enable each school district in the state of Arizona to maintain school for at least the minimum term required by law, during each school year. This section shall not be construed to be a limitation

on estimates or levies for other school purposes, but it is intended hereby to give such additional authority that the provisions of this section shall be properly carried out.

Section 2. That from and after January 1st, 1921, and until otherwise provided by law, the salaries of all elective officers except county school superintendents and judges of the superior court of counties of the first class shall be increased thirty-three and one-third (33 1-3) per cent over the amount of such salaries as they are now fixed by law for their respective offices; salaries of county school superintendents of counties of the first class shall be increased fifty (50) per cent over the amount of such salaries as they are now fixed by law for such office; salaries of all elective officers of counties of the second class except judges of superior court, shall be increased twenty-five (25) per cent over the amount of such salaries as they are now fixed by law for their respective offices; salaries of all the elective officers of counties of the third and fourth classes, except judges of the superior court, shall be increased twenty (20) per cent over the amount of said salaries as they are now fixed by law for their respective offices; the salary of the governor of the state of Arizona shall be increased twenty (20) per cent over the amount of such salary as it is now fixed by law for said office; the salary of the chief justice and judges of the supreme court, the secretary of state and the attorney general shall be increased fifty (50) per cent over the amount of such salaries as they are now fixed by law for their respective offices; the salaries of all other elective officers of the state, save and except judges of the superior courts of the various counties, shall be increased sixty-six and two-thirds (66 2-3) per cent over the amount of such salaries as they are now fixed by law for their respective offices; the salaries of the judges of the superior courts of the various counties shall be increased twenty (20) per cent over the amount of such salaries as they are now fixed by law for their respective offices; all of such increased salaries shall be paid to all of said officers from and after said first day of January, 1921, in manner and form as now provided by law, regardless of the fact that it is during their present term of office. Any or all other increases of salaries of elective state or county officers made by a general salary law, passed at the regular or any special session of the first legislature held after the adoption of this amendment, may be made to become effective immediately by the terms of said general salary law.

Hereafter any increase in the salary

of any one member of an elective board, commission, court or department of the state or counties thereof, which said board, commission, court or department is composed of more than one member elected by the people for such office shall simultaneously operate as an increase in the salary of all other members of said board, commission, court or department, to an amount equal to the salary of said one member.

As stated in the opening of this article, the matter of amending the state constitution, and the matter of adopting initiated measures, and doing either at any time are matters which require very close attention by the public. The general questions involved in that consideration are, is there a defect in the present provisions? Will what is proposed afford a lasting remedy to cover those defects? And the question of whether an adoption by the people of proposed measures submitted to them may not in turn present defects, which may not be remedied, except by further action by the people.

The purpose in publishing what appears above, is to give our readers an opportunity to read and know what is proposed. Detailed comments upon those measures may be a subject to be covered in later issues of this Magazine.

Still Other Measures for Later Presentation

There are several other measures which are being presented to the people of the state, which may be as important as those which are mentioned above. Among these is one to cover the proposition of "civil service examination for public employees," and for county division. Space will not permit any extensive presentation of these measures at this time. An attempt has been made to give our readers the benefit of the above article in their connection with state finances, and state common schools, as being subjects closely within the general scope of matters more frequently discussed in the Magazine. The question of efficiency of public employees is also a matter which bears directly upon a successful and economical administration of public affairs. Hence, attention will be given in later issues to other initiated measures, not particularly outlined at this time.

Distribution to Counties of State Common School Funds

The State Superintendent of Public Instruction has apportioned \$326,697.00 of state common school funds among the several counties of the state, and has

done so on the basis of the school census of children in each county between the ages of six and twenty-one years. This distribution is made in accord with the provisions of the state constitution, a plan of distribution which is not followed when those state common school funds are actually distributed to the various districts of each county. That final distribution is made by county school superintendents upon the basis of "daily average attendance for the six months of each school showing the highest daily average attendance of such school." The policy of this difference is a legislative matter and only effects the final result of use of funds. The distribution as made to the counties from the state funds, and the amount thereof, are matters which concern the taxpayers of each county. The amount of county taxes for school purposes, vary according to the amounts received from the state by each county. The figures of the census for each county, and the amount distributed are as follows:

County—	No. of Census Children	Amount Appor- tioned
Apache	1,487	\$ 6,245.40
Cochise	12,387	52,025.40
Coconino	1,440	6,048.00
Gila	6,123	25,716.60
Graham	3,357	14,099.40
Greenlee	5,005	21,021.00
Maricopa	20,869	87,649.80
Mohave	1,059	4,447.80
Navajo	2,808	11,793.60
Pima	7,400	31,080.00
Pinal	3,725	15,645.00
Santa Cruz	3,250	13,650.00
Yavapai	5,086	21,361.20
Yuma	3,789	15,913.80
Total	77,785	\$326,697.00

There is still in abeyance the question as to distribution of an amount—\$136,673.06, to be transferred from interest, rental, and sale of products from state common school lands; with a further sum of \$58,775.83, derived from the school lands within United States Forest Reserves, a total of \$195,448.89. If an opinion from the Attorney General's office, covering the matter of availability of that amount for distribution as a part of the state common school funds, is followed, a further distribution to the counties will be made of that amount, with the same figures of school census of each county as appear in above table, made the basis of that further distribution.

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T ARIZONA TAXPAYERS' MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME EIGHT

PHOENIX, ARIZONA, AUGUST, 1920

NUMBER EIGHT

TOTAL VALUATIONS OF ALL COUNTIES OF ARIZONA FOR THE YEAR 1920 AND PERCENTAGE OF TOTAL STATE VALUATION

COUNTY	ASSESSED VALUATION	PERCENTAGE OF TOTAL STATE VALUATION
Cochise	\$176,039,879.17	19.90
Gila	147,110,006.32	16.64
Maricopa	134,243,541.90	15.18
Yavapai	130,044,420.17	14.70
Pinal	73,774,883.00	8.34
Pima	63,697,493.34	7.20
Greenlee	41,967,979.58	4.75
Mohave	23,353,527.49	2.64
Yuma	22,937,196.96	2.59
Coconino	22,833,426.47	2.58
Graham	13,910,812.30	1.57
Santa Cruz	12,781,406.80	1.45
Navajo	12,354,201.00	1.40
Apache	9,393,908.00	1.06
	\$884,445,682.50	100.00

EDITORIAL COMMENT

Question of County Division as a Tax and Financial Proposition

The taxpayers of this state at large have no immediate concern with local affairs which involve controversies as between factions of different counties as to the management of county affairs. When, however, those controversies become so marked as to bring about an attempt of one faction to "secede" from the parent county, and set up an independent county government, the interest in that question becomes at once state-wide, and concerns every taxpayer of the state. It would indeed be a grave situation if it were true that the affairs of any particular county are in such shape that future harmony will be impossible, as between different portions of that county, with affairs in such shape that the future welfare of the county itself, with such indirect effect as the welfare of its citizens will have upon the future development and progress of the state at large, as will warrant such stringent action to be sanctioned by the people of the state as will permit a selected territory of that county to divorce itself from the remainder of the county, and set up a new organization.

If the situation be analyzed with respect to results, and certainly the results should be seriously considered and anticipated before action upon a county division proposition, the first thing to be considered is the necessity—real necessity—for a splitting up of the present counties. If at the outset, no such necessity does exist, that should end the matter. If there is a lack of reason for dividing any county, certainly the people of this state will discover such lack, and act accordingly. The people of Arizona are not going to be drawn into any factional dispute, nor are they going to create new offices, new heads of affairs, with all that goes with such creations, simply to satisfy the ambitions, whims, or caprices of a few voters of a particular locality. Certainly the people of this state must be shown a real necessity before they even consider the further possible effect of a law which has been initiated to the end of permitting county divisions. If the people of the state do feel that real necessity exists for such a law, they are not going to be hoodwinked into voting into effect a law, which purports to be general but which in reality is drafted to meet the special designs of any dissatisfied element of

any particular county. Measures of that kind are state wide in their consequences and effects. The future of the whole state is more or less involved. Such a measure should not be one among a class of laws under which its supporters may be presently able to "get by" with what they have in mind, but should be one which will in all respects cover every possible aspect involved in county divisions, cover those aspects clearly, certainly, and without any possibility of future ambiguity as to meaning. Arizona has no such need for a county division law, that will warrant the adoption of any initiative measure which will certainly go far enough in its effect to permit the organization of new counties, and do so regardless of what may be chaos as between that new county, its relations as to the old county or counties from which severed, its relations to public creditors of both old and new counties, its relations to the state at large. A county division law may appear simple, if it be considered only as a law which effects a division. The after effects of such a law are not so simple. Yet it may be ventured as an undisputable assertion, that those after effects are really the most important features of any such law. The people of this state are more concerned with those after effects than they are with any other feature involved in the whole question of county division.

With an underlying and apparently imperative necessity for the division of any county found to exist, there is still the question of the additional expense to the taxpayers to be considered and weighed in connection with that apparent necessity. That question of expense involves the initial cost of new county buildings, county farms, their equipment, as well as the entire salary list and expense of a new county organization. The initial expense of providing county buildings, and other necessary county property, involves at the outset, either a new county floating indebtedness, or new county bonds. The actual expense of such equipment can only be estimated. Undoubtedly all buildings would be modern and up-to-date. Would undoubtedly be constructed with capacity for future needs of the county. If any estimate were to be advanced, the figures thereof would be around one half million dollars, as the cost of the court

house, its equipment for all new offices, for county farm with county hospital and other required county buildings. It could be anticipated that new high school districts would be organized at once with all the cost of new buildings and new equipment. This not for reason of any additional educational facilities to meet actual needs, but more for the looks of the thing, so to speak, without such high school, the county would not feel that its organization was complete. This would mean more bonds, more interest and more taxes. Just how much it might cost for the current expenses of a new county organization would be still a matter of estimate. Looking at the proposed estimates for county expenditures, as those expenditures are included in amounts proposed for the 'general funds' of the county, it is safe to say that the annual cost would run around \$150,000 per year.

Sooner or later there will arise the question of completing the records of the new county, that is, some provision under which the old court records, the old records in the recorder's office, and all records of county affairs, originally kept for the entire county, but which after a division, would be required in some form for use in both the old and new county. Until such provision were made, the individuals having to resort to records kept in the old county, would be put to the expense of investigating records in both county seats as to all matters pertaining to their property where the matter of title was involved. What the aggregate of this individually distributed expense cannot be estimated. Whatever it might be is a matter to be considered in connection with county division.

If there ever was a time in the history of the state when the matter of extra expense in the conduct of public affairs is a matter calculated to arouse opposition in the mind of the average man, that time is the present. The trend of the times is towards reduction rather than towards increased cost of government whether it be national, state, county or city government. There never has been a time when the proceeds of public bond issues gave less in constructive results for the purposes for which funds are so provided, than at present. If the people do increase the burden of bonded

indebtedness, they desire results which will contribute along practical lines, towards future benefits. To some extent the people are measuring those prospective benefits by the rule of dollars and cents computed to their benefit. When questions of county division come up, those who are so inclined, will at once ask themselves how they will be benefitted by contributing to all the cost of a new county government, in the way of government benefits not now afforded them. Unless those benefits appear to such an extent as to off-set their cost, the conservative, careful man and woman will say no to action which will incur additional expense without proportionately plain benefit to them. To such people, and it is probably true that they constitute a majority of the people, the uncertainties connected with present burdens imposed for governmental pur-

poses, with the uncertainties as to how those burdens are to be carried not only now, but until they are removed by liquidation payment thereof, are sufficiently annoying to their private affairs, that further public burdens will not be lightly assumed with their sanction. To such persons, the time is not ripe for favorable consideration of county division laws.

Our readers may begin to wonder as to why this article. There is a measure initiated and which will be presented to the voters of this state, to cover the question of county division. If the measure is approved by a majority of the voters, then it is pretty certain that at least one county of the state will be immediately confronted with a division proposition under that law. There are other counties in which there exists an element

who may also assume that the time is ripe for a division of other counties. Before presenting to our readers any critical analysis of the measure which is proposed, and which will be upon their ballots in November, it is deemed best to consider the question of county division as a general proposition. In other words, give some suggested lines of thought as to the general effect of any possible law upon that subject. Making this as a prelude to a later discussion of the law actually proposed. The merits of that proposed law may be one thing. The first real question to be considered by the public is whether that public wishes to sanction any law at all, which, with no present necessity for the law appearing at this time, will lead to further expense to the taxpayers of any portion of the state, which expenses will in that case be wholly unnecessary.

An Opinion Upon the Ten Per Centum Limit Law Which Should Not be Ignored

For several years this magazine has urged that the effect of the provisions of law which relate to the amount which county taxes of one year might exceed the amount levied and collected to and for county general funds and county road funds, is to prohibit an increase exceeding ten per centum. It has repeatedly urged that the legislature intended the 10 per centum limit law as a protection to taxpayers. That its intended effect was to the end that the actual tax burdens of one year, for the two funds named, should not exceed by ten per centum the actual tax burdens of a previous year. Has urged that an increase of ten per centum was an increase which would meet, year by year, the increased demands for increased expenditures, due to development of county expenses on account of development of the state, by increase of population and by increased service required from the counties. It has been repeatedly pointed out that, with such construction of the law, as permitted county boards to underestimate possible receipts from other sources than taxes, and adopt an estimate far under the actual amount of the real receipts from those other sources, to be deducted from an aggregate amount consisting of the sum of taxes levied and collected plus those actual receipts, with ten per centum added to that aggregated sum, and so deducted in arriving at the amount of new taxes to be levied, had resulted in destroying the intent of the legislature, and has resulted in levies which in some instances has increased the tax amount

raised one year compared with the previous year, to more than twenty-five per centum of such increase.

This magazine stood alone for several years in the above contention as to the meaning of the law. Ultimately a case was brought to the Supreme Court and that body specifically constructed the law, and that construction emphasized the intent of the legislature, as being the intent as so contended for. Even then several of the counties continued to argue with those opinions, and ignored them.

The question has been again raised in connection with the proposed tax levies of the present year. The Attorney General's office was called upon for an opinion. That opinion is as follows:

"Paragraph 4839, Revised Statutes of Arizona, 1913, Civil Code, Provides, among other things, as follows:

".....and upon the same property and upon the same valuation, the Board of Supervisors of each county shall levy and collect for the same fiscal year, on an estimate for county purposes, additional taxes for such purposes which together with other sources of revenue, shall not, however, aggregate a total sum of money, exclusive of taxes for school purposes, ten per centum greater in amount than the total sum levied and collected for other than school purposes from all sources during the next year prior to that in which the levy is made....."

This section of the statute was amend-

ed by Paragraph 50, Session Laws of 1917, but did not change that portion of the statute in question, except to exclude taxes for bonding purposes as well as school taxes, upon the aggregate to be reckoned each year in estimating taxes.

The supreme Court of the State of Arizona, in the case of Southern Pacific Company vs. Yuma County, 19 Arizona 211, in considering Paragraph 4839, Civil Code, 1913, together with other paragraphs of the same Code, said:

"It is declared that in no event shall the expenditure for county purposes exceed those of the preceding year more than ten per centum, except it be for school purposes. The restriction on the Board of Supervisors could not very well be more specifically or plainly stated, and if it stood alone it would need no construction; it would be too plain that any excess over the ten per cent, exclusive of taxes for school purposes, would be without authority of the law, and, if paid under protest, might be recovered."

In the case of the Arizona Eastern Railroad Company vs. Graham County, 19 Arizona, 320, the Supreme Court of this state, in construing Paragraphs 4639-4842 of the Civil Code, 1913, seems to hold that a county, in making its estimate of taxes for the ensuing year, cannot exceed a total sum of money, exclusive of taxes for school and bond purposes, ten per centum greater in amount than the total sum levied and collected

(Continued on Page Four)

ARIZONA TAXPAYERS' MAGAZINE

OFFICIAL ORGAN OF STATE TAXPAYERS' ASSOCIATION OF ARIZONA

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AN OPINION UPON THE TEN PER CENTUM LIMIT LAW WHICH SHOULD NOT BE IGNORED

(Continued from Page Three)

for other than school and bond purposes. The Supreme Court in that case does not seem to give any force whatever to the words "from all sources during the next year prior to that in which the levy is made," and in that case the Court held that the county could not add to its aggregate the sum of \$18,000, levied during the previous year, for a bridge that was constructed.

From these decisions I am inclined to think that under our law, as it now stands, and as laid down by our Supreme Court in these two decisions, that your Board of Supervisors, in making its estimate for the ensuing year, shall not aggregate a total sum of money, exclusive of taxes for school and bond purposes ten per centum greater in amount than the total sum levied and collected for other than school and bond purposes during the preceding year. In other words, you are restricted to the aggregate of taxes actually levied or collected during the previous year, and cannot add thereto receipts or collections from other sources

such as fines, etc."

The forgoing opinion is based upon the law as construed by our Supreme Court. Furthermore it is an opinion from an office of the state, the opinions of which have been uniformly acted upon in public matters, both by state and county officials. The public has been required in many instances to bring test cases to avoid opinions which were contrary to what the public deemed the law to be. It is a queer state of affairs, that the same public should be required to force the issue by further action—test suits—to get the benefit of opinions which are favorable to it. Yet, it is true that county attorneys and several county boards of supervisors acting upon opinions of such county attorneys, adverse to that of the Attorney General's office, are still making tax levies accord-

ing to old scheme regardless of the limitations upon their powers, found in the law itself, construed by the Supreme Court, and those constructions interpreted by the state attorney. It is also true that when situations arise like the one referred to, county officials are prone to criticize taxpayers who do go to court to enforce such laws as are really intended to limit the powers of taxing officers. Fairness to all parties concerned requires the application of the saying: "what is sauce for the goose is sauce for the gander," and if the public is to be confronted with action of its officers, based upon opinions of the Attorney General, and so bound when those opinions support acts contemplated by public officers, certainly those same officers should be bound by opinions which deny those officers power to act.

Proposed Budget for State Taxation for Year 1920-1921

Connected with this article are two tables of figures. The larger table contains figures which have been prepared in the State Auditor's office for use of the State Tax Commission in fixing the rate of state taxes to cover state activities for the fiscal year beginning July first, 1920 and ending June 30, 1921. In that table the figures presented may be grouped under two heads: those which are taken from the various appropriation laws of the state, including amounts fixed in the general appropriation law of 1919, and second, those figures as to which the law is indefinite as to amounts to be expended, leaving the figures to become the subject of estimate by the State Tax Commission with power to levy such an amount as may be necessary. It is not to be understood that the State Auditor has arbitrarily submitted any figures to be included in the latter class, but rather has submitted figures according to requests from the various offices as to which, for expenses, the law is indefinite. Nor, as to latter class of items is it to be assumed that the amounts requested will be allowed. That table as a whole gives an idea of the approximate amount which in the aggregate will be levied and collected for state purposes during the present fiscal year.

The budget for last year totaled \$5,719,986.10. The total of the budget as tentatively proposed in the table is \$4,682,796.04, of which \$500,000.00 will be taken care of from sources of state revenue other than taxation, leaving \$4,182,796.04 to be raised by direct tax-

ation, if the budget as proposed is adopted in full. The new budget, as proposed is \$1,036,190.06 less in amount than the budget of last year.

Some striking differences appear in the present budget as compared with budgets of years prior to the Legislature of 1919. In the state road fund, the old amount was \$250,000.00 per annum, this has been increased to \$880,000.00 (estimated) the actual amount will be a ten cent levy based upon total assessed valuation of the taxable property of the state. This accounts for an increase of over \$630,000.00 in the new budget as compared with prior to 1919 budgets. The state common school fund prior to 1919 was fixed at \$500,000.00 per year for tax levy. This was raised to \$750,000.00 as a continuing appropriation for that fund, with a special amount of \$125,000.00 put in the general appropriation bill, altogether raising \$875,000.00 by taxation to that fund in the new budget. An increase for common school fund of \$375,000.00. Vocational education, prior to 1919 had an appropriation of \$20,000.00. The present budget calls for \$368,439.00 for vocational educational purposes. An increase of \$348,439.00 in that item. These important items and matters connected with state activities have been the subject of legislative increases, due to public demands for more money to be devoted thereto. Yet, without going into any further analysis or comparison as between the presently proposed budget and that of 1918-1919, the last year preceding the 1919 legislature, and the in-

creases in state taxes as between the two years, show the total of \$1,333,439.00 of an increase on account of the matters above mentioned. There are still other lesser items which were appropriated and which if accurately computed would account for more increase, due to legislative appropriations based upon public demands for money for certain state activities, both old and new. However, a great deal has been said respecting the low tax rate and low budget of the year 1918-1919. The tax budget for that year called for \$3,614,944.32. The tax budget for the year as now proposed will be \$4,182,796.04. Unless the increase of \$1,333,439.00 for roads and educational purposes as between the two years was an unnecessary increase, and the purposes of the appropriations increases will at once negative that assumption in the public minds, then after allowing the effect of the increase so made in a comparative statement, the budget now proposed is really \$765,-587.26 less than it was in the year 1918-1919. That is the difference between the two budgets, if we compare purpose of one, with purpose of the other, for which in each case expenditures were made, and treat additional expenditures for roads and educational purposes as being in fact capital investments of the state.

The second table given contains a synopsis of the various general state purposes for which taxes will be levied, and the aggregate amount for each general purpose. The figures and aggregates speak for themselves.

TABLE ONE

GENERAL FUND

Name of Appropriation	Amount		
Arizona Corporation Commission:			
Salary of Members.....	\$ 9,000.00		
Contingent Expense.....	40,120.00		
Arizona Historian:			
Salary of Historian.....	2,400.00		
Contingent Expense.....	7,000.00		
Arizona Agricultural and Horticultural Commission			
Contingent Expense.....	31,675.00		
Automobile Expense.....	1,000.00		
Arizona Pioneers' Historical Society.....	1,325.00		
Arizona Resource Board.....	10,000.00		
Asylum for the Insane			
Salary for Resident Physician.....	3,000.00		
Attorney General's Department			
Salary of Attorney General.....	4,000.00		
Salary of Ass't Atty. Gen.....	2,500.00		
Salary of Law Clerk.....	1,800.00		
Office Expense.....	1,000.00		
Salary of Stenographers.....	2,700.00		
Contingent Expense.....	7,200.00		
Additional Counsel.....	2,500.00		
Traveling Expense.....	1,800.00		
Extraordinary Expense.....	2,000.00		
Auditor's Department:			
Salary of Auditor.....	3,000.00		
Salary of Deputy Auditor.....	2,700.00		
Salary of Bookkeeper.....	2,400.00		
Salary of Chief Warrant Registrar.....	1,800.00		
Salaries of Three Warrant Registrars.....	4,500.00		
Contingent Expense.....	2,000.00		
Salary of Stenographer.....	1,500.00		
Salary of Bank Examiner.....	3,000.00		
Salary of Assistant Bank Examiner.....	2,400.00		
Office Expense, Banking Department.....	1,000.00		
Traveling Expense, Banking Department.....	4,000.00		
Clerical Assistance, Banking Department.....	2,100.00		
Board of Bar Examiners:			
Per Diem and Expense.....	* 500.00		
Board of Dental Examiners			
Per Diem and Expense.....	1,500.00		
Board of Directors:			
Salary of Secretary.....	4,800.00		
Salary of Purchasing Agent.....	4,800.00		
Contingent Expense.....	25,000.00		
Board of Pardons and Paroles:			
Per Diem and Expense.....	*1,000.00		
Capitol Building and Grounds:			
Maintenance and Improvement	30,000.00		
Cooperation with U. S. Biological Survey.....	50,000.00		
County Scholarships.....	7,000.00		
County Fair Assistance.....	14,000.00		
Court Commissioner.....	*100.00		
Dairy Commissioner.....	10,350.00		
Education of Deaf, Dumb and Blind:			
University of Arizona.....	31,550.00		
Board of Education.....	*5,000.00		
Governor's Department:			
Salary of Governor.....	6,500.00		
Salary of Secretary.....	3,000.00		
Clerical Assistance.....	6,500.00		
Contingent Expense.....	6,000.00		
Expense, Annual Conference	500.00		
Publication of Proclamations	1,000.00		
Automobile Expense.....	3,600.00		
Executive Budget.....	5,000.00		
High Schools and Normal Schools			
To Encourage Vocational Pursuits.....	*70,000.00		
Inspector of Weights and Measures:			
Salary of Inspector.....	2,000.00		
Salary of Clerk.....	1,200.00		
Office and Traveling Expense	1,500.00		
Law and Legislative Reference Librarian			
Salary of Librarian.....	2,700.00		
Salary of Ast. Librarian.....	1,800.00		
Clerical Assistance.....	1,200.00		
Live Stock Sanitary Board:			
Salary of Secretary.....	2,400.00		
Salary of Recording Clerk.....	1,800.00		
Salary of Bookkeeper.....	1,800.00		
Salary of Stenographer.....	1,500.00		
Office and Traveling Expense	2,625.00		
Per Diem and Mileage of Mem.	1,000.00		
National Guard.....	*50,000.00		
Normal and High School Cadet Commission.....	31,000.00		
Northern Arizona Fair.....	5,000.00		
Pioneer's Home:			
Salary of Superintendent.....	2,000.00		
Maintenance of Automobile.....	1,000.00		
Premiums on Bonds of State Officials.....	*550.00		
Printing Reports of Supreme Court.....	*750.00		
Printing Reports of State Officials.....	*10,000.00		
Prison:			
Salary of Superintendent.....	3,000.00		
Salary of Asst. Supt.....	2,000.00		
Salary of Secretary.....	2,000.00		
Salary of Physician.....	2,000.00		
Salary of Parole Clerk.....	2,000.00		
Secretary of State's Department:			
Salary of Secretary.....	3,500.00		
Salary Ass't Secretary.....	3,000.00		
Salary of two Stenographers	3,000.00		
Initiative and Referendum.....	7,000.00		
Contingent Expense and Printing Constitution.....	2,500.00		
Motor Vehicle Department.....	12,500.00		
Motor Vehicle Department Salary, Cashier.....	2,000.00		
Motor Vehicle Department Salary, Rate Clerk.....	1,800.00		
Additional Clerical Assistance, Etc.,.....	1,000.00		
Sheep Sanitary Commission:			
Contingent Expense.....	4,500.00		
State Commissioner of Immigration.....	1,000.00		
State Engineer:			
Salary of Engineer.....	3,000.00		
Traveling Expense.....	2,500.00		
State Examiner:			
Salary of Examiner.....	2,500.00		
Salary of Deputy Examiner.....	2,100.00		
Traveling Expense of Ex.....	1,600.00		
Traveling Expense of Deputy Examiner.....	1,600.00		
Contingent Expense.....	1,200.00		
State Game Warden:			
Salary of Warden.....	1,800.00		
Salary of Office Deputy.....	1,200.00		
Traveling Expense of Warden	1,000.00		
State Industrial School:			
Salary of Superintendent.....	3,000.00		
Salary of Ass't Supt.....	1,800.00		
State Laboratory:			
Salary of Director.....	1,800.00		
General Expense.....	2,700.00		
State Land Department:			
Salaries and Maintenance.....	55,250.00		
Water for Dry Farmers.....	10,000.00		
State Mine Inspector:			
Salary of Inspector.....	3,000.00		
Salaries of Three Deputies.....	7,200.00		
Office Expense.....	1,800.00		
Travel Expense, Inspector and Deputies.....	5,600.00		
State Tax Commission:			
Salaries of Commissioners.....	9,000.00		
Salary of Secretary.....	2,700.00		
Contingent Expense.....	*12,000.00		
Office Expense.....	*1,500.00		
Traveling Expense.....	*3,500.00		
Board of Equalization.....	*1,200.00		
State Treasurer's Department:			
Salary of Treasurer.....	3,000.00		
Salary of Deputy Treasurer.....	2,700.00		
Salaries of two Stenographers	3,000.00		
Office Expense.....	1,000.00		
State Veterinarian:			
Salary of Veterinarian.....	1,800.00		
Contingent Expense.....	1,500.00		
Mileage.....	*2,400.00		
State Water Fund.....	15,000.00		
Superintendent of Public Health:			
Salary of Superintendent.....	1,000.00		
Salary, Registrar, Vital Statistics.....	1,000.00		
Office Expense.....	2,000.00		
Veneral Disease Work.....	2,250.00		
Tuberculosis and Child Welfare Work.....	5,000.00		
Rural Sanitation.....	2,250.00		
Publicity Work.....	2,200.00		
Public Health Lecture.....	1,000.00		
Clerical Assistance.....	3,000.00		
Mileage.....	*2,400.00		
Superintendent of Public Instruction:			
Salary of Superintendent.....	3,000.00		
Superior Court Judges:			
Salaries.....	28,925.00		
Expense while acting as Su-			

preme Judge	*250.00	Pioneer's Home, Maintenance.....	27,195.00
Supreme Court:		" " Building.....	32,850.00
Salaries of Judges	15,000.00	" " Improvement.....	1,000.00
Salary of Clerk	2,700.00	Plant Introduction.....	4,620.00
Salary of Stenographers.....	5,000.00	Prescott Dry Farm.....	5,690.00
Salary of Bailiff.....	1,200.00	State Prison, Maintenance.....	145,000.00
Salary of Reporter	1,200.00	" " Improvement.....	35,000.00
Contingent Expense	1,000.00	State Fair, Mtc. and Imp.....	20,000.00
Vocational Education:		" " " " " ".....	48,571.88
Department Salaries and		" " " " " ".....	15,000.00
Expense	7,100.00	State Industrial School, Mtc.....	49,000.00
Smith-Hughes Act.....	*341,339.00	State Common School Fund.....	125,000.00
Smith-Hughes Act.....	*20,000.00	" " " " " ".....	750,000.00
Fourth State Legislature:		1919 Deficit.....	180,000.00
Special Session, 1919.....	2,700.00	Blind Children Under School Age...	2,500.00
Interest on Registered Warrants.....	25,000.00	State Road Tax	*880,000.00
Interest on St. Louis Exposition		" " " " (Prison).....	60,000.00
Bonds	1,500.00	Salt River Valley Ex. Farm.....	12,510.00
Tempe Bridge—(Emergency).....	20,000.00	Sulphur Springs Valley Dry Farm.....	4,540.00
Agua Fria Bridge—(Emergency)....	10,000.00	Surface Water Investigation.....	3,000.00
Fifth State Legislature	*75,000.00	Tempe Normal School, Maintenance	116,500.00
		" " " " Improvement.....	5,000.00
	\$*1,377,709.00	" " " " Building	35,000.00
To be Deducted.		University of Ariz., Mtc.....	218,082.50
Bal. in General Fund,		" " " " Imp.	41,950.00
June 30, 1920.....\$100,000.00		" " " " Printing	9,000.00
Estimated Rec'ts for Cur-		" " " " Co-Op. Ag. Ex.	10,000.00
rent Fiscal Year.... 400,000.00		" " " " Extension	26,160.00
	500,000.00	" " " " Farm Mtc.....	12,500.00
		" " " " Farm Imp.....	2,250.00
	\$ *877,709.00	" " " " Campus and	
MISCELLANEOUS FUNDS:		" " " " Green-house	7,000.00
Name of Fund:	Amount:	" " " " Citrus Inves.	5,000.00
Asylum for the Insane, Main-		" " " " Deaf, Dumb	
tenance	\$ 120,000.00	and Blind Bldg.	47,500.00
Remodeling, Repairing and Re-		Underflow Water Inves.....	2,400.00
newals of Buildings.....	11,800.00	Asylum for the Insane, Interest	1,000.00
Building and Improvements.....	9,100.00	Capitol Building, Interest.....	3,750.00
Bureau of Mines	31,000.00	Interest on State Funded Debt	32,038.76
Date Palm Orchard	2,575.00	University of Arizona, Int. 1901.....	1,250.00
Date Palm Orchard and Hortie. Sta	4,725.00	University of Arizona, Int. 1903....	550.00
Dry Farming.....	4,500.00	Redemption Fund, State Funded	
The Free Employment Office.....	2,500.00	Debt	25,958.90
Northern Arizona Normal School		Redemption Fund, St. Louis Expo.	
Mtc.	105,380.00	Bonds	2,500.00
Northern Arizona Normal School,		Redemption Fund, U. of A.	
Imp.	5,500.00	Bonds	2,500.00

*—Estimated amounts

TABLE TWO

SUMMARY OF PROPOSED BUDGET

Education and Educational institu-	
tions, including the various ac-	
tivities of the University of	
Arizona	\$2,296,761.50
All Other Institutions	455,225.00
Roads and Bridges.....	970,000.00
State Fair.....	83,571.88
County and District Fairs.....	19,000.00
National Guard.....	50,000.00
State's half of salaries of Superior	
Court Judges.....	28,925.00
Maintenance of Capitol Building	
and grounds.....	30,000.00
Interest	65,088.76
Sinking Funds.....	30,958.00
Expense of 1921 Legislature (est.)	75,000.00
Cooperation with U. S. Biological	
Survey, destruction of preda-	
tory animals and rodents.....	50,000.00
All other items not classified, in-	
cluding all department salaries	
and expense.....	528,265.90
Total	\$4,682,796.04
Deductions.	
Balance in general	
fund as of June 30	
1920	\$ 100,000.00
Estimated revenue to	
general fund from	
all sources outside	
of tax levy.....	400,000.00
	\$ 500,000.00
Net amt. to be raised by tax levy....	\$4,182,796.04

FINANCES AND THE ILLINOIS CODE

A Review of Fiscal Results for Two and a Half Years.

(California Taxpayer's Journal)

In his campaign for governor in 1916, Colonel Lowden, in his numerous speeches, laid stress upon the illogical organization of the state government. He insisted that if State Governments were to be respected, their numerous and overlapping boards must be consolidated and the budget system of appropriations and expenditures must be substituted for the haphazard system then existing.

In his inaugural message Governor Lowden said:

"Administrative agencies have been multiplied in bewildering confusion. They have been created without reference to their ability economically and effectively to administer the laws.

"One of the imperative needs of the State is the consolidation of its multiplied agencies into a few principal depart-

ments. The governor is held responsible for the conduct of the State government. His executive functions should be discharged through a limited number of agencies over which he may exercise actual control. Under the present system of confusing perplexity, the governor cannot exercise the supervision and control which the people have a right to demand."

Code Bill Passed.

March 1, 1917, the Fifthieth General Assembly of Illinois enacted the law known as "The Civil Administrative Code." It became effective July 1, 1917. Previous to the passage of this law there were in Illinois, something over 125 absolutely independent agencies of government, having nothing to do with one another, not related or co-ordinated in any manner. There was, of course, much overlapping of functions. There was much needless expense, and perhaps

worst of all there was, of necessity, great inefficiency.

Created Nine Departments

The Code Law grouped these 125 boards, commissions and agencies into nine departments. These departments were: Finance, Agriculture, Labor, Mines and Minerals, Public Works and Buildings, Public Welfare, Public Health, Trade and Commerce and Registering and Education.

Instead of putting boards and commissions at the heads of these departments, the law placed individuals. It is not only a theory but the experience of every business man that it is individuals who do things, and not boards or commissions. A board may be desirable for legislative or judicial powers, or as an advisory body. Hence, an individual was put at the head of each of these departments, with the title of Director.

All the officers, including the Directors, under the administrative code, are

ired to give all their time to the public service.

Has Operated Two and One-Half Years

The Civil Administrative Code has been in operation now more than two years. In results it has surpassed all expectations. At the seat of government nine responsible heads of departments are in daily touch with the Governor, who, therefore, can exercise proper supervision over the affairs of the State, for each head of department, in turn, is in constant touch with the activities of his own department. Extravagances and incompetency are easily discovered and corrected.

In Illinois the legislature meets once in every two years and, therefore, appropriates for two years in advance. In the winter of 1917 appropriations were made for the period commencing July 1, 1917, and ending June 30, 1919. Though these appropriations were based upon pre-war prices and conditions, which, of course, were very much more favorable than those which prevailed during the war, yet, at the end of the two years' period there was an unexpended balance in every department of the government save one. That the government created under the civil administrative code functioned well is best shown by the fact that Illinois went through the entire period of the war without any extraordinary session of the general assembly.

Lapsed Appropriations

There was unexpended and returned to the State Treasury, at the end of the biennium, Sept. 30, 1919, over \$2,000,000.00. During the same period the tax rate in the state was reduced in 1918, as compared with 1917, 17 per cent, and in 1919, as compared with the year previous, 20 per cent. On January 1,

1917, there was in the revenue fund in the State Treasury, a balance of \$528. It is from this account that all the regular operating expenses of the State are paid. There was in this fund January 1, 1918, \$5,055,752.75. By January 1, 1919 this balance had increased to \$13,301,744.04. January 1, 1920, it stood at \$15,789,780.45. These results were largely brought about by the elimination of a large number of boards and commissions in the State and to the business administration of State affairs which the new Civil Administrative Code made possible.

Department of Finance

Among the departments created was the Department of Finance. The head of that department exercises general supervision over the finances of the State. He prescribes uniform systems of book-keeping; approves or disapproves all vouchers; keeps in constant touch with the financial affairs of the State. In addition, it is his duty to prepare a budget of estimated expenditures and receipts, to be submitted to the governor and by him to each regular session of the general assembly. In the exercise of his general supervision over the expenditures of the State he, in effect, begins the preparation of the budget a biennium in advance.

That is, beginning the first of July, 1917, in approving or disapproving vouchers and investigating financial conditions, he was gathering information all the while to enable him to intelligently judge what the appropriations should be for the next biennium. He had, in the first place, the information acquired as to the needs of the various activities of the State in the exercise of his power of general supervision over the finances,

and in addition had been able to investigate, himself, when request was made by an official charged with the expenditure of money, as to the exact needs of the case. The budget thus submitted was transmitted to the Governor and after receiving his approval it went to the General Assembly. After a thorough and careful consideration by the appropriation committee of the Senate and the House of Representatives it was, with very few changes, enacted into law.

Revenues of the State

The revenues of the State are derived from various sources, such as fees for various services rendered by the State, a tax upon the gross premiums of insurance companies, a tax upon the gross receipts of the Illinois Central Railroad Company, a franchise tax upon corporations, inheritance taxes, etc., and a general property tax. The last named tax is levied at such a rate as to raise revenue sufficient, together with the indirect revenue, to defray the expenses of the State government.

The general property tax rate for State purposes in 1917 was 90 cents on the hundred dollars. In 1918 this rate was reduced from 90 to 75 cents on the hundred dollars. In 1919 the basis of taxation was changed from one-third to one-half of the actual cash value. The rate for that year was fixed at 40 cents on the hundred dollars, which would be equivalent to 60 cents under the old basis—a reduction of 20 per cent as compared with the tax rate of the preceding year. These reductions were due partly to an increase in indirect revenues, but largely to greater economy under the Civil Administrative Code with the budgetary system.

QUESTIONS AND ANSWERS

Have boards of supervisors any authority to levy for general fund of counties in excess of the ten per centum limit for the purpose of providing funds to take care of "epidemics" which may occur in the present year?

This question must be answered in the negative. It is true that the legislature in 1919 passed a special emergency act which reads as follows:

"The supervisors of the several counties are hereby authorized to levy and collect a sufficient tax in excess of the limitations imposed by Paragraph 4839 of the Revised Statutes of Arizona, 1913, Civil Code, to defray the expenses incurred by the Board of Supervisors or the duly appointed and acting Health Officers of the several counties, on account of

the influenza and pneumonia epidemics occurring during the years 1918 and 1919—The Board of Supervisors shall audit all legitimate claims against such special fund for expenses incurred through such epidemic and the clerk of the Board of Supervisors shall draw his warrant upon the County Treasurer, payable out of the special fund created by this Act, in payment of the claims audited, as aforesaid, by the Board of Supervisors."

But this act spoke to the past and not to the future. It does not stand as a continuing authority to levy any amount which exceeds the ten per centum limit to meet future contingencies of epidemics.

If the valuation of the taxable property of a county increases to such an amount as changes its classification with respect to the salaries of its officers, when, as respects those officers does the new salary become payable?

The county classification law which was enacted in 1917, in section five, reads as follows:

"For the purpose of regulating and fixing the compensation of all county and precinct officers herein provided for, the several counties of the state are hereby classified according to the assessed valuation of their taxable property as fixed and determined upon the assessment and tax rolls of said counties....."

This provision is followed by designa-

tion of assessment roll values which fix the status of the various counties under the act itself, according to values upon those rolls. The vice of the old county classification law, as pointed out in the case,—*Hunt vs. Mohave County*—was that no provision was contained in the old law under which a county could pass from one class into another. Considering that as a reason why the old law was unconstitutional, and granting to the legislature the intent to remedy that defect in and through the language above quoted, a county passes from one class to another under proper construction and application of the words: **"according to the assessed valuation of their taxable property as fixed and determined upon the assessment and tax-rolls of said counties."**

The old county classification law, (par. 2608 Laws 1901), contained language as follows:

"Counties having an assessed valuation of property of three million dollars or more, shall be counties of the first class".

and by later amendment as affecting Yuma county the amount was raised to \$9,000,000.00. Speaking of the effect of the law upon the salary of a Yuma county officer, whose term began in January, 1912, when the assessed valuation was less than \$9,000,000.00 as with respect to a claim for increase commencing with September, 1913, the Court says:

"When the term of office of appellee

commenced, Yuma county was a county of the first class, and at the time the assessed valuation of the property in the county was more than \$3,000,000.00 but less than \$9,000,000.00. In the month of August, 1913, however, pursuant to law, the state board of equalization fixed the assessed valuation of property in said county in an amount over the sum of \$9,000,000.00. While the assessed valuation of property in the county remained less than \$9,000,000.00, he was entitled to salary at the rate of \$2,200.00 per year. In August, 1913, Yuma county, while still remaining a county of the first class, nevertheless its equalized value became more than \$9,000,000.00, and appellee's compensation was therefore fixed at \$2,500.00 per annum. Not by virtue of any subsequent legislative action but solely by the automatic action of the law in effect at the beginning of the term, and which law definitely prescribed and fixed the compensation incident to the office, the amount thereof to be graded according to the determination of an extraneous fact, to-wit, the fact of the equalized assessed valuation." *Yuma County vs. Sturgis*, 15 Ariz. 538).

With these cases before us, and the legislature having subsequent to those decisions, enacted the 1917 salary law, it must be presumed that the words: **"as fixed and determined upon the tax-rolls of said counties,"** must mean tax-rolls which have definitely become such in

fixing and determining the assessed valuation of counties. The question then is, when are values fixed and determined upon the assessment and tax-rolls of counties. The *Sturgis* case above, refers directly to the August fixing and determination by the state board of equalization. In an Oklahoma case, (38 Pac. 4), the Court held that a tax-roll was not such for purpose of determining assessment values of property, until the state board had passed upon it, and certified their action to the counties. See also *McQuillan Municipal Corporations*, Par 2236, *et seq.*, where it is stated that "the last assessment roll" is the one to determine assessed values, when that value becomes a factor as to power to act. See also, *Board vs. Lake Co.* 49 Pac. 23. Under the above authorities, the rolls of 1919-1920, control the situation, until such time as the new rolls for new fiscal year, 1920-1921, have become such by and through action of the state board of equalization.

Thus it follows that the salaries of county officers will remain as they are in each county of this state, until after the state board of equalization has found such an increase or decrease in assessed valuations as automatically increases or decreases those salaries, according to the classification law. These salaries will increase or decrease then and for the future, but there is no provision for any retroactive effect upon salaries.

The Assessed Valuation of the State For the Ensuing Year

The front page of the present issue gives the figures of assessed valuations of the several counties of the state, arranged in such manner that the larger amounts appear first, and thereafter in consecutive order. Figures are also given showing the percentage which the value of each county bears to the total assessed valuation of all property of the state. The total for the state amounts to \$884,455,682.50.

The total assessed valuation of the state for taxation purposes for the fiscal year which ended June 30, 1920, was \$855,224,720.93. The new total of \$884,455,682.50, shows an increase of \$29,230,961.57. Space will not permit an exhaustive comparison of the different increases of the various classes of property in value, which actually has contributed to the above amount in actual values of property. Speaking generally upon that subject, it will be noted that several of the counties in which great strides have been made in the way of new irrigation projects, or where more land has been brought into cultivation under existing

projects, or where due to values of land for certain crops, such as cotton, alfalfa, and the like, the demand for such land on the market has created an actual value which could not be overlooked by assessing officers, and those counties whose tax rolls include such lands, show increased values for taxation purposes.

All in all the \$29,230,961.57 of increase speaks for that amount of increase, in the real values of property in Arizona. That increase stands for an actual growth in the real wealth of the state. It marks just so much actual progress during one year period. Let the people of agricultural counties look with pride upon the fact, that the irrigated lands, and other agricultural lands of their counties are coming to their own in real values. The values of such lands have been there at all times. With the blessings of crop-growing sunshine, with soil fertilized by nature and furnished with water through the ingenuity of man, Arizona has proved the fact to be, that not the least among the many opportunities which it presents to new-comers,

are opportunities along lines of agricultural development. Arizona is rapidly demonstrating the fact that not alone is she rich in mineral wealth and mineral resources, but that she is about to take her place among the states whose wealth depend upon the products from their surface soils.

The search for gold and precious minerals may be alluring. The successful searcher may be rewarded with quick riches, but, steady, sure and continued progress of all countries; that progress which is stabilized by homes built and maintained by contented people, is a progress based upon the development of those opportunities offered along lines of agricultural activities. Arizona may well hope that the time will come, when her many millions of acres will find their place as valuable lands as the homes of millions of the farmers of the future. The skeptical persons have been shown the possibilities, and with that showing made, progress and rise in values of lands will be more marked in the future than it has in the past.

ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME EIGHT

PHOENIX, ARIZONA, SEPTEMBER, 1920

NUMBER NINE

A PYRAMID FOR YEAR 1920

Showing the assessed valuation of different classes of property and ratios which each bear to the total taxable property in Arizona, which ratio shows also the proportion of state and county taxes paid by each class.

Banks—	\$10,579,017.65	—1.19%
Automobiles—	\$14,908,510.00	—1.67%
Merchandise—	\$27,702,718.90	—3.11%
All Other Property	\$27,931,338.12	—3.15%
Livestock (Horses, Cattle, Sheep)—	\$41,808,486.25	—4.70%
Town Lots & Improvements—	\$92,901,192.50	—10.44%
Railroads—	\$100,985,637.06	—11.35%
Lands & Improvements—	\$103,252,333.64	—11.60%
Mining Property—	\$469,651,131.18	—52.79%
TOTAL VALUATION—		
\$889,719,263.50		—100.00%

(Total Assessed Valuations, with exemptions deducted, \$884,445,682.50.)

EDITORIAL COMMENT

STATE TAX RATES FOR YEAR 1919 AND 1920

The table in connection with this article shows the tax rate of 1920-1921 for state taxes as fixed by the State Tax Commission. It also shows the tax rate for state purposes for year 1919-1920. In the public mind these rates are recalled as being the rates upon last year's tax-rolls, and the new rates for the year now running, and for taxes which will be collected hereafter. Last year's total rate was 60 cents per hundred of valuation, the new rate is only $47\frac{1}{2}$ cents per hundred. So far as the rates are concerned, the last rate is $12\frac{1}{2}$ cents per hundred less than the former.

Strange as it may seem a comparison of particular items, that is, particular rates to different funds, which rates go to make up the totals given above, the rate levied in 1919 for the "General Fund" was .2212 per hundred, while the rate levied for "General Fund" upon the new rolls, is only .10059 per hundred, a difference of over 12 cents per hundred in favor of the new rolls. Why this difference? It is well known that the ordinary current expenses of the state are paid out of the general fund, is it true that those ordinary state expenditures for current expenses have decreased by 12 cents per hundred of the taxable property of the state in one year? On the face of the figures, with only tax rates before our readers, that appears to be the result. But just as this Magazine has always contended, real results do not appear from comparing tax rates of one year with tax rates of another. That true result can only appear by taking in consideration the assessed valuations of each year as one element; by taking the actual amounts raised and expended in each year, and comparing these amounts item by item, purpose by purpose, so far as those items and purposes are similar in the two years. And, a still further element for controlling consideration, is that of whether an aggregate amount in a given year, shown to have been raised and expended in that year, contains more or less of items which are not current expenses, but are for what is termed "capital investment", in accounting language. The result to be true in fact, and to be such as will truly show whether state expenses have increased in one year, as compared with another, with the amount of any such increase found in a greater

tax rate, can only be determined by giving effect to each of the controlling elements as above indicated.

In following out a comparison of rates, with a view to get at the facts, the rates for each year must be taken separately, and the items which go to make up the amounts to be provided by a levy of that rate, considered one by one. So, when the .2212 rate for general fund in 1919 is dealt with, the first inquiry is what were the items requiring such a levy. For that purpose, and going back to January of 1919, the state records show that an emergency amount of \$365,193.09 was asked for, to meet deficits then existing on account of prior over-expenditures from maintenance and other funds of various state institutions, and to provide amounts with which to maintain those institutions for the period from January 1, 1919, to June 30, 1919. The special appropriations then made, and amounts which were included in the general appropriation bill of 1919 state legislature, provided for that deficit of \$365,193.09 and caused a corresponding increase in tax levy rate for the year 1919-1920. So far as that amount—\$365,193.09—affects the general fund rate, it should be charged back to the year before 1919-1920 rolls, thought of as an amount produced through over-expenditure during the first six months of the year 1918-1919, or thought of as amount not provided for by the tax levy for the rolls of 1918. That deficit, however, was a fixed item which had to be paid out of state taxes raised on the 1919 rolls. It was paid out of the general fund, of 1919-1920. It is a fact, that with all other specific and definite appropriations made payable from the general fund, paid therefrom during the year 1919-1920, **there remained a balance unexpended in that fund of \$100,000.00 to be carried forward to the state purposes of the new year.** This balance represents a real balance after all bills for state purposes and expenditures prior to the close of the preceding year had been accounted for. In prior years it had been the practice to "pigeon-hole" claims against the state, hold those claims back with an effect that the actual payment thereof would come out of the money raised by a new year's tax rate, with the deficit thus created again carried along until such time as requests were

made for appropriations from a new legislature. Those requests were for amounts which appeared as being the expenditures of and for the preceding year, but really included items which were actually expended to meet an accumulation of deficits of preceding years. The general fund of the state has always been exhausted at the end of the fiscal year, except the one year last past, when there was an actual balance of \$100,000.00.

Let that balance of \$100,000.00 be credited to economy if it is proper to do so. Let it be considered that the current expenses of the state were reduced by that amount during the year 1919-1920, and it may be so considered. The amount is not so large, nor is the result so significant as a matter of dollars and cents, but the result is significant and of great importance to the public of this state, when that public considers the fact that under the "budget law" and under other laws enacted by the 1919 Legislature, it is now possible to know at the end of each fiscal year, the exact financial condition of the state. It may be necessary to smooth out some features of those new laws, but the main effect remaining, the state will have a true balance sheet of its business, at the end of each year. Not only that, but with those true balance sheets as a basis of appropriations and tax rates, it will be possible to watch the current expenses of the state, one year after another year, and ascertain without doubt whether increased or lessened expenditures result from actual necessity or from other cause. State officials will have the basis for action. They can go to each item, and know one year compared with another, where items must be increased to meet real necessities of state activities, those officials will know where items may be eliminated when no longer required for state purposes. They will have the basis upon which to reach a result of real economy, which is, such use of public funds only as are necessary for efficiency of government, expended to that end, with economy where possible.

Our readers have before them the specific rates, and purposes to produce amounts raised by taxation, in the table below. Those rates and purposes are placed in the columns side by side, with

(Continued on page 6)

More Estimates as to Increased Costs to Public From County Division

The general public of this state has no concern with local controversies as to the management of county affairs. If those controversies have assumed such proportions as to cause a "deadlock" among factions or between factional leaders as to produce seeming cause for the secession of any portion of the people to be made possible by county divisions, that is a local affair. It cannot be possible that such deadlock can really exist, for the simple reason that the counties of this state elect their officers by majorities, and the officers so elected control the affairs of the counties. An apparent deadlock, is thus in effect no more than the result of claims of a minority seeking to control the will of the majority, even to the extent of withdrawing from that control. The proposed county division law, to be voted upon at the coming election if adopted will permit a present county, or counties, to be divided without any expression of the will of the voters of the present county, but solely at the will of a majority of the voters of the newly proposed county.

Voters of Proposed New County Alone. Petition for County Division

The proposed measure shows just the situation as above suggested. Shows it in Section 2, on page 36 of the "publicity" pamphlet", in the words which read:

"Sec. 2. Whenever a written petition addressed to the Board of Supervisors of a county, substantially in the form hereinafter set out directs such board to call an election whesein the qualified electors of the territory bounded and described in such petition may determine whether or not such territory shall be created and organized into a county of the state the Board of Supervisors shall proceed in the manner directed by this act."

The words of Section 2, above quoted, are made more clear by the words in Section 3, on the same page above referred to, as follows:

"Such petition . . . shall bound and describe the territory to be taken for the proposed county . . . shall be subscribed by not less than thirty-three per centum of the electors of such described territory."

There are more details in section three, but those words are taken which control upon the point raised, which is, that the voters of the county now existing who reside outside of the territory proposed to be organized into the new county have no voice at all in the matter of a proposed county division.

Former Legislatures Refused to Pass Similar Law

The same proposition has been put up to the legislatures at various sessions thereof since statehood, and those legislatures recognizing the inherent weakness of a proposition which involved not alone the rights of voters in the new territory proposed as a new county, but the rights of the voters of the whole county, refused to pass the law so proposed. Refused to permit a secession of a portion of a county, except with the consent of all persons who vote in the whole county. The same reasons which supported negative action by the legislature, supports the negative action by the voters of this state, when the same proposition is put on their ballots.

This Magazine is interested not only in maintaining and perpetuating those underlying principles of government, national, state and county, which require a consent of the governed to every public proposition which will directly change the control of public affairs involving the whole public immediately involved, and directly as that change may involve a minority portion of that public. It is also interested in the financial propositions which will be involved in county division as that financial proposition comes into the issue upon county division, as one of the detail elements thereof in which the taxpayers of the whole county now existing, are directly interested, and a detail of the matter included in maintaining the main principle of government first stated. One set of voters, acting alone have no right, consistent with recognized principles of government, to impose upon another class of voters, new and increased burdens of taxes, without the consent of the latter.

The question to be discussed in this article, will be that question of an increased burden of county maintenance, without the consent of taxpayers whose property stands on the rolls of a present county, and represents the aggregate assessed valuation thereof after deducting the minimum of valuation, that is, property to the amount of not less than twenty millions, which must under the proposed law, be included in the territory to be detached.

Some Idea of Finances Which May Be Involved in County Division

For the purpose of discussing the propositions above, figures will be used which are taken from a table which appeared in the March issue of this Magazine for year 1920, which table showed a schedule of receipts and disburse-

ments of the counties of this state for the period from December 1, 1918, to November 30, 1919, and which figures were compiled from the report of the State Examiner covering that period.

From that table it appears that it cost the fourteen counties of this state the aggregate amount of \$2,619,586.82 for items which were included under the general head of "county maintenance". This aggregate included items of county expenses, such as officers salaries, salaries of assistants in various offices, expenses of those offices, expenses of maintaining the courts, county farms, jails and the like, but did not include amounts expended for "roads", nor for "schools", nor for interest on county bonds, nor for payment of principal upon outstanding bond issues of the counties. These latter amounts will be discussed later. With fourteen counties in the state, the average cost per county, for "county maintenance", including under that head those particular items above referred to, and excluding other items also above mentioned, is \$158,541.00 per county. There is no escape from the proposition that any new county organized, would be confronted with at least the average amount—\$158,541.00—for county government purposes alone. This average would become an additional burden upon the taxpayers of the new county, for which nothing would be given in return. This average of \$158,541.00 spread in taxes over \$20,000,000.00 of assessed valuation—would mean a new tax rate of nearly eight cents per hundred—.07927 per hundred to be exact—for which the taxpayers of the new county would receive no more than they now receive—county government.

While no figures exist as to the value of county buildings, real property and other county institutions, Section 25 of the proposed initiative measure provides for a pro rata division of bonded indebtedness existing against the same, according to present value of those county properties. Inasmuch as the payment of interest on outstanding county bonds, with all payments upon principal of those bonds must be raised by taxation, with the taxable value of property as a unit upon which to fix a tax rate per hundred for those bond purposes, and inasmuch, further, as the balances upon bond issues of the old county are fixed amounts, and the amount to be raised for interest for county bonds are also fixed amounts, and both will be so fixed and certain at the time of any possible

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MORE ESTIMATES AS TO INCREASED COSTS TO PUBLIC FROM COUNTY DIVISION

(Continued from Page Three)

division of any county, no other element than the actual assessed valuations of the two counties—old and new—can properly enter into the question of prorating the portions and amounts of bond burdens existing at the time of such division. In this same connection, the proposed act says nothing specifically about highway bonds, bonds issued for bridge purposes, of the joint purposes of highway and bridge construction. If the words of Section 25 are to be constructed to cover a pro-rating of the present value of roads, as the foundation of dividing liability on account of highway and bridge bonds issued prior to division, the task of so doing will be arduous, the results uncertain, and may lead to numerous lawsuits, notwithstanding that the act provides for agreements made between boards of supervisors or in cases those boards cannot agree, for submission to arbitration.

Attempts to Substitute "Arbitrators" for the Courts in Disputes Which May Arise

Not only is the act as proposed, indefinite and uncertain as to what shall be

considered as debits, or what considered as credits, in arriving at the remaining values of highway property, but it undertakes to provide for arbitration of disputes which may arise in that regard. It attempts to displace the jurisdiction of the courts in that regard. Section 4, of Article VI of the Constitution of Arizona, provides that:

"The Supreme Court shall have original and exclusive jurisdiction to hear and determine all causes between counties . . . concerning claims of one county against another."

This language seems to preclude the possibility of placing that same jurisdiction elsewhere. In the list of amounts paid by all counties during the year above mentioned, there was a total of \$716,412.93 expended for bond purposes. An average per county of over \$51,000.00. During the past year, the bonded indebtedness of the various counties has increased by several millions of dollars for bonds for highway purposes alone. The amounts received by all the counties as shown by the schedule for year 1918-1919, from sales of bonds by all counties was \$2,975,031.52. There were balances on hand in the various county treasuries amounting to \$8,810,292.23 on December first, 1919. The pro-rating of bond issues as between an old county and a new one, involves two features, one a pro-rating of the burden of paying those bonds, the other the use of unexpended portions of the money realized from sale of the bonds. The pro-rating of back tax collections, of money in hand raised by taxes and remaining unused would be a difficult matter. So with justice to all portions of the public any law attempting to provide for prorating debts and assets must be wisely and equitably certain in its provisions. It goes without saying that tax-money raised and remaining on hand, was money first raised for the necessary purposes of the old county for some current year. It goes without saying that the officers of the old county have undoubtedly raised that money for those necessary purposes, and made plans, incurred obligations and assumed liabilities, to equal the amounts raised by taxes. That whether there remains a balance on hand or not; whether taxes are delinquent and uncollected or not; there will appear claims to be paid, or deficiencies equaling the amounts remaining uncollected upon the taxrolls, which will in any final accounting and balancing of the financial affairs of any county, equal the actual balances on hand, and use up the amounts of delinquent taxes as those taxes are in fact paid. From all of which it follows that a blanket provision covering any division

at all of balances on hand and taxes uncollected, which fails to take care of current claims unpaid and outstanding, will operate unjustly upon the public of the old county. The proposed initiated county division act fails to consider those features of the situation at all. The proposed act does contain (Section 36) blanket provision upon that subject, reading:

"All moneys on hand, taxes and revenues due and unpaid and all debts and expenses of the original county, the settlement of which is not herein provided for, shall be prorated among the counties affected in the proportion that the assessed valuations of the newly organized county shall bear to the assessed valuation of the original county . . . to be ascertained from the last assessment roll of the original county . . . made prior to the division."

Cannot Divide a County as a Partnership Might Be Dissolved

If the public activities of the old county were entirely of a commercial character. If the old county had no functions to perform except those similar to a partnership in business, the above provision might cover the situation. When, however, the necessities of the old county are considered, when it is considered that all counties work upon "annual estimates" made with respect to past, present and future needs of that county for fiscal year periods; when the taxes are levied once a year, paid into the county treasury in two installments; any division of "cash on hand", "taxes and revenues due and unpaid" made as of the time the new county comes into existence, ignores the necessities of the old county for the remaining portion of any fiscal year after the birth of the new county. Provision for payment of debts and expenses pro rata from "the balances on hand" does not take into consideration the requirements of such portions of an annual estimate as not actually in the form of "debts" at the time the balance is struck, that time being, when the new county is created, which may be at any time at all during any fiscal year. The time when that new county comes into existence, being a time wholly within the power of the voters of the territory to designate by the time when they first petition for an election of those same voters, (all other dates follow within certain times after such petition is filed) there would undoubtedly be instances where a county division became effective, with the date of a balance sheet of funds and liabilities, fixed at a time when the cash balances were large, and the actual debts small. The treasury of the old county would be depleted, and no funds would or could exist with which

to carry out the remaining activities of the old county, according to the "annual estimates" for county purposes, and which the people remaining in that old county would rightfully expect and to which they would be rightfully entitled, regardless of the rights of the public in the territory which finally made up the new county. The above is a possibility and what could easily result in fact under the words of the proposed law. The words, "all money on hand" and the words "taxes and revenues due and unpaid" have a fixed meaning in the mind of every man. Those words mean just what they say. They speak of an existing condition of things, they take no account of the future whatever. The words "all debts and expenses of the original county" have a meaning just as fixed and determined, those words speak of the past, speak to and of an existing state of affairs, and exclude anything of the future. With the possibilities for inequitable results plainly in the proposed law, it may be suggested with all fairness, that even with a necessity for county division apparent and present, that necessity is not such an imperative necessity, as will warrant a law which would permit a dissolution of any present county in the middle of a fiscal year.

The old county should at least be permitted to carry out the plans of that county to the end of adopted plans and estimates for a full fiscal year. At the end of that period, and at no other time in a given year, will it be possible to strike a true balance sheet of real balances on hand, and of debts and expenses unpaid. A balance sheet struck at any other time in a fiscal year, would most certainly destroy effective county activities of the old county, for the remainder of that year. The new county would take with it that proportion of the balances which a sum of not less than \$20,000,000.00 of assessed valuation of property in that new county would bear to the total assessed valuation of the old county. The measure provides to the effect that each county shall have an assessed value of not less than \$20,000,000.00 according to the rolls of the preceding year. No division would be possible except in the counties of Cochise, Gila, Maricopa, Yavapai, Pinal Pima and Greenlee. The other counties of the state are still under the \$40,000,000.00 mark of assessed valuation. There is no limit in the law covering the question of how much in assessed valuation of property may be included in the territory of a new county, just so

long as \$20,000,000.00 of value is left. There is a possibility that no more than the twenty millions be left, as the basis of apportioning funds on hand. There is no limit as to the area of land which may be included in the new county, and left in the old. The old county might be left with a large territory, with its towns widely separated, and its property value small. The division might come at a time when the county estimates included extensive highway building into and through all that remained of such an old county. The taxpayers of such a county may have contributed for years to highway funds for the more wealthy portion—a portion which might become a new county—awaiting their turn for roads. Yet regardless of the equities arising out of past policies as to the expending of county funds for county roads and other public purposes, a wealthy portion of a present county might throw off the burden of more isolated and extensive areas thereof, leave that portion to shift for itself, and in so doing, strip the old common treasury of the first county, of all except a proportion thereof equal to what the assessed valuations bore to each other. **And with it all, the people of the old county to be left as an older county organization would have no voice in the matter at all.**

Some Information as to County Highway Bonds

The question of early construction of highways in this state is one which does not depend entirely upon state appropriations for highway construction, nor does it depend upon "federal aid" funds. A more serious condition enters into the matter, which is the fact that while several counties have voted highway improvement bonds the proceeds of which were to be added to state and federal funds, those proceeds have not been realized.

Some days ago this Magazine addressed letters to the clerks of boards of supervisors of every county in the state, asking for detailed information from which to present to our readers the exact situation as to highway bonds in counties in this state. Answers have been received from five counties. In addition to those five counties, the Magazine has independent information as to the situation, and is thus able to present the reasons why road money is not forthcoming for immediate use in construction of county highways.

Boards Have No Authority to Sell Bonds Except for Par and Accrued Interest

The authority of boards of supervisors in the matter of selling bonds which

have been voted by the people of any county is found in Paragraph 5276 of Revised Statutes of 1913. The Provisions of that paragraph are plain and specific. Those provisions include a proviso which reads: **"that none of said bonds shall be sold for less than par with accrued interest."** In consequence of that provision, any bid for bonds which does not offer to pay at least the full par value—full face value of the bond with accrued interest to date of delivery, is not a bid to receive any consideration at all. Yet in five counties bids have been accepted coupled with, and inseparably connected with, agreements to pay commissions to the person who "procured the bid of the successful bidder." The amount of these proposed commissions has varied from one and one-half per cent to ten per cent upon the face of the bonds to be sold. It goes without saying that these commissions, so-called, are no more than "discounts", and the entire proposed arrangement contemplates a clear evasion of the law. If such commissions were provided for, and are deducted from the proceeds of sales, and the commission contracts do provide that commissions shall be so

paid, then the county will receive only \$900,000.00 from bonds issued to the amount of \$1,000,000.00, a clear "less than par," for the bonds. The county will continue to pay interest on the entire \$1,000,000.00 until retired by payment, and will thus pay interest upon \$100,000.00 never received. If, as in some instances the bonds draw five and one-half per cent, or even as high as six per cent, interest, and a discount of ten per cent is deducted, the county will pay more than the six per cent maximum of interest allowed by the county bond law, by paying the full interest rate upon \$1,000,000.00, and having the use of only the \$900,000.00.

Change in Market Value of Bonds Does Not Change Law That Public Not Pay for All Bonds Sold

No matter how much the bond market may fluctuate. No matter whether bidders for highway bonds are willing to pay not less than par and accrued interest, for such bonds, the authority of boards of supervisors does not fluctuate according to the market. The law upon the subject is fixed and unchangeable. At least county boards cannot directly change the law, nor, have those boards

any implied power to adopt other methods for selling bonds, than the method expressly pointed out in the statute. If the advertisements for bidders, such an advertisement as required by law, does not bring such results, such results as will net the county par and accrued interest for every dollar of bonds issued, then the bonds should not be issued.

It has been held out to some boards that provisions for expenses of preparing the bonds, and attorney fees of bidders upon opinions as to validity of the bonds can be so coupled with agreements to pay commissions, as to validate the entire payment. The idea of validating a payment of \$100,000.00 from an issue of \$1,000,000.00 of bonds, because included in that payment is the cost of printing the bonds, (a printing cost in real market prices of not to exceed \$500.00), with the idea of paying the attorney for the buyer for advice in the matter of going into the buy, are pretty costly ideas, if put into effect to the aggregate cost to a county of \$100,000.00. Such subterfuges should not be tolerated. Good faith as between the public and boards of supervisors will not permit such practices, even though the law itself might permit it. But aside from the question of good faith involved, the law does not permit any commission to become a discount in fact, simply because named as "expenses", when the amount is grossly unreasonable compared to what would be fair and actual expenses.

If the county undertakes to issue bonds, it must of course prepare the papers of the issue. But individuals do not go to their bank for a job of printing, they deal with the printer. This suggestion standing alone, is sufficient to point out why commissions cannot be coupled with printing bills in connection with bond issues so as to give validity to an aggregate amount including one per cent of printing bill, and ninety-nine per cent of commission.

Bond Buyers Buy for Profit. Should Stand Losses

Prior to the late war, every bond issue in Arizona (with one exception) netted the public at least par. Public bonds of Arizona were then selling at a premium. There was a good demand for such bonds. Bond buyers are not philanthropists, they then bought bonds to re-sell at a profit. The bond market at the present time may be down. The bond market may have changed since the bids for county bonds were accepted, and pending delivery of the bonds. If those bids were within the requirements of "par and accrued interest," if those bids were accompanied by certified checks to insure the county that pur-

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State Tax Rates for Year 1919 and 1920

(Continued from page two)

the rates and purposes raised for last year. They have before them the figures of both years. With those figures they can carry the process of comparison to such extent as may be desired to answer any question which may present itself to their minds. It may be suggested, that our readers do not come to any abrupt conclusion based upon the total state rate of one year as compared with the total of another, nor come to any conclusion at all, except after a careful comparison. Bear in mind that the total rate may be high or it may be low. Officials in charge of state affairs are not to be judged on any question of economy or question of possible extravagance by comparing totals alone. If that total

includes appropriations for buildings, for roads, for purchase of institutional lands, or increased amounts for educational purposes, and the total is high with such items included, officials expending those amounts are not accountable for high tax rates to raise the amounts to be so expended. The total tax rate does not tell any story of economy or extravagance connected with amounts for purposes above named. That story of economy of extravagance must be found in other figures—figures connected with the actual use of funds, not in tax rates alone.

The table of figures referred to in above article is as follows:

STATE TAX RATES FOR YEARS 1919 AND 1920		Per \$100.00	
Funds and Authority		1919	1920
1. General, R. S. 1913, Penal & Civil Codes: Laws of 1915 Laws of 1917 & Laws of 1919.....		\$0.22120	\$0.10059
2. Asylum for the Insane, maintenance, Chapter 174, Sec. 3, Laws 1919.....		.01403	.01357
3. Asylum for the Insane, remodeling, repairing and renewal. of buildings: Chap. 174, Sec. 4, Laws 1919		.00176	.00135
4. Asylum for the Insane, building and improvements. (Chap. 174, Sec. 5, Laws 1919.....		.00331	.00103
5: Bureau of Mines, Chap 174, Sec. 28, Laws 1919.....		.00363	.00350
6. Date Palm Orchard, Chap. 174, Sec. 29, Laws 1919....		.00038	.00029
7. Date Palm Orchard and Hortie. Station Chap. 174, Sec. 37, Laws 1919.....		.00069	.00054
8. Date Palm Orchard and Hortie. Station, Land and Im- provements: Chap. 174, Section 38, Laws 1919.....		.00146	.00000
9. Dry Farming: Chap. 174, Sec. 30, Laws 1919		.00053	.00051
10. Free Employment Office, Chap. 21, Sec. 2, Laws 1917		.00029	.00028
11. Northern Arizona Normal School, Maintenance, Chap. 174, Sec. 6, Laws 1919.....		.01296	.01193
12. Northern Arizona Normal School, Improvement: Chap. 174, Sec. 7, Laws 1919.....		.00117	.00062
13. Northern Arizona Normal School. Real Estate: Chap. 174, Sec. 8, Laws 1919.....		.00155	.00000
14. Northern Arizona Normal School, Building: Chap. 174, Sec. 9, Laws 1919.....		.01263	.00000
15. Pioneers' Home, Maintenance: Chap. 174, Sec. 10, Laws 1919		.00318	.00308
16. Pioneers' Home, Building: Chap. 174, Sec. 11, Laws 1919		.00384	.00372
17. Pioneers' Home, Improvements: Chap. 174, Sec. 12, Laws 1919		.00047	.00011
18. Plant Introduction, U. of A.: Chap. 174, Sec. 31, Laws 1919		.00050	.00048
19. Prescott Dry Farm, U. of A.: Chap. 174, Sec. 34, Laws 1919		.00071	.00064
20. State Prison, Maintenance: Chap.174, Sec. 13, Laws 1919		.01696	.01640
21. State Prison, Improvement, Chap. 174, Sec. 14, Laws 1919		.00291	.00396
22. State Fair, Maintenance & Improvement: Chap 174, Sec. 15, Laws 1919. Par. 4538, RS. 1913, C. C.....		.00760	.00170
23. State Fair Maintenance & Improvement; Chap. 174, Sec. 16, Laws 1919.....		.00000	.00550
24. State Fair, Land: Chap. 174, Sec. 17, Laws 1919.....		.00047	.00000
25. State Industrial School, Maintenance: Chap 174, Sec. 20, Laws 1919.....		.00573	.00554

(Continued on next page)

COUNTY HIGHWAY BONDS

(Continued from page 6)

chase price would be paid, if such bids were accepted, no good reason exists why the public should be called upon to stand the loss of a falling bond market. Yet that is just the situation now presented in several counties, and strange as it may seem, some county boards are hesitating over schemes proposed by bond bidders, through which, under some guise or other, the county will ac-

tually stand that loss.

Satisfaction "of Bond Attorney" a Varying Quantity

In most instances, the bids which have been accepted contain provisions to the effect that bid is subject to satisfying the attorney of the bidder, that the proceedings leading up to the issue, and the issue itself, is valid. Strange as it may seem, that "satisfaction" has been forthcoming in three instances where the sale involved the payment of from five

to ten per cent allowances for "commissions and expenses of preparing the bonds," and has not been forthcoming in one instance where the commission was only one and one-half per cent. The **invalidity** pointed out in latter instance was the very agreement to pay the commission, a defect which passed criticism in the other cases. A close examination of the proceedings leading up to elections for bond issues in the various counties, discloses that the reports of county highway commissions, made as a basis for calling such elections have been moulded along the same form. The Maricopa county bond issue seems to have furnished the model. That issue was sold, and its validity approved, (prior to a fall in the bond market), without commission contracts, and with no criticism as to the proceedings. The facts are, that with a falling market, that model has lost its perfect form, so far as "satisfying" the attorneys of the bidders. From it all, in the instances covered by a situation like above, the county has but little chance of cashing in on the checks deposited. Has little chance of recovering damages for the failure of the bidders to pay for and take the bonds. The counties in such cases have bond issues on their hands, which stand "disapproved as to validity", in the markets. A situation from which their respective boards have to work the solution, before highways can be constructed with proceeds of sale of those bonds.

Examination of Bond Issue Proceedings**Should Precede Bidding**

Again the master hand of the bond-bidders, showed itself. Let the question be asked, as to why, before a bid was made, a prospective bidder was not required to "satisfy his attorney" as to the validity of the bonds, and a correct answer would have solved any situation like the above, solved it, by preventing it. A bid for bonds would then have been a real bid. It would have been unconditional, and if accepted, would have been binding. It may be ventured that the law of Arizona pertaining to the subject, does not contemplate anything but out and out bids, not conditional ones.

Summing the whole matter up, the bond sale situation in Arizona at the present time does not appear to be such that county highway construction will be speeded up from funds derived from bond sales now pending in various counties.

The lessons to be learned from the present situation, however, may be put to good use in the future. With the experience of each county in coping with a falling bond market, becomes common knowledge to the officers of every coun-

State Tax Rates---Continued from page six

26. State Industrial School, Building & Improvement: Chap. 174, Sec. 21, Laws 1919.....	.01170	.00000
27. State Common School Fund: Chap. 174, Sec. 45, Laws 1919. Chap 40, Laws 1919. Par, 2862, R. S. 1913, C. C.	.08164	.11963
28. State Road Tax: Chap 69, Laws 1917. Chap. 35, Laws 1915	.10702	.10679
29. Salt River Valley Experimental Farm: Chap 174, Sec. 32, Laws 1919	.00193	.00146
30. Sulphur Springs Valley Dry Farming: Chap 174, Sec. 33, Laws 1919	.00053	.00051
31. Surface Water Investigation: Chap. 174, Sec. 35, Laws 1919	.00035	.00034
32. Tempe Normal School, Maintenance: Chap. 174, Sec. 18, Laws 1919	.01363	.01318
33. Tempe Normal School, Improvements: Chap. 174, Sec. 19, Laws 1919	.00059	.00057
34. Tempe Normal School, Building & Repairs: Chap 174, Sec. 19, Laws 1919	.00046	.00396
35. Tempe Normal School, Land: Chap. 23, Sec. 2, Laws 1919	.00212	.00000
36. University of Arizona, Maintenance: Chap. 174, Sec. 22, Laws 1919	.02386	.02467
37. University of Arizona, Improvements: Chap. 174, Sec. 23, Laws 1919	.00491	.00475
38. University of Arizona, Printing: Chap. 174, Sec. 24, Laws 1919	.00105	.00102
39. University of Arizona, Co-op. Agric. Extension: Chap. 174, Sec. 25, Laws 1919	.00087	.00113
40. University of Arizona, Extension: Chap. 174, Sec. 39, Laws 1919	.00294	.00285
41. University of Arizona, Farm Maintenance: Chap. 174, Sec. 26, Laws 1919	.00146	.00142
42. University of Arizona, Farm Improvement: Chap. 174, Sec. 27, Laws 1919	.00071	.00026
43. University of Arizona, Campus & Greenhouse: Chap. 174, Sec. 40, Laws 1919	.00204	.00079
44. University of Arizona, Campus Extension: Chap. 174, Sec. 42, Laws 1919	.00292	.00000
45. University of Arizona, Citrus Investigation: Chap. 174 Sec. 43, Laws 1919	.00117	.00057
46. University of Arizona Deaf, Dumb and Blind Building: Chap. 174, Sec. 44, Laws 1919	.01140	.00537
47. Underflow Water Investigation: Chap. 174, Sec. 36, Laws 1919	.00028	.00027
48. Asylum for the Insane, Interest.....	.00018	.00011
49. Capitol Building, Interest	.00059	.00043
50. Interest on State Funded Debt.....	.00385	.00363
51. University of Arizona, Interest (1901)	.00015	.00014
52. University of Arizona, Interest (1903)	.00007	.00006
53. Redemption Fund, State Funded Debt.	.00304	.00294
54. Redemption Fund, St. Louis Expo. Bonds	.00029	.00028
55. Redemption Fund, U. of A. Bonds.....	.00029	.00028
Total Tax Levy	\$0.60000	\$0.47500

ty, the various ways which were devised by outside bidders as a means of escape from any effect upon their funds to result from that falling market, will be included in that common knowledge. Our officers may be caught off-guard once, but never again. It may safely be anticipated that Arizona in the future, will not be a field of speculation for so-called bond-buyers, whose object and purpose is to obtain "gilt-edged" bonds, at less than par, nor a place where, when those bidders have actually bid "par and accrued interest", they may, by plans and schemes, evade the loss due to a lull in the bond market.

Public May Ultimately Profit by Delays In Selling Bonds

The delay incident to all of above may be to the ultimate advantage of the public. The present condition of affairs to be included in the well known expression, "high cost of living", with all its direct and indirect effect upon results now possible from expenditures of proceeds of bonds sold at one hundred per cent of par in road construction, through such delay, may make possible, greater results from the use of the same amount of public funds. That same delay may remove the possibility of future censure of the public which will then be called upon to pay those bonds, a possibility of censure which would not be lessened, were the same construction be presently forced to completion with proceeds of bonds sold at a discount.

Come Again School Boys

During the past month it was the pleasure of this Magazine to be visited by several representative pupils from the Phoenix Union high school, who were very much interested in following up the matter of the wealth of the state of Arizona to the various classes of industries and property in the state which now goes to make up its wealth from a commercial standpoint. The immediate reason for their visit was the fact that in a recent issue of the Magazine figures were published showing the general classes of property which go to make up the entire assessed valuation of the taxable property of Arizona, and that the professor in one course of their studies had referred the pupils of the class to the figures so published. To our visitors the Magazine says to come again at any time and our records, publications and other data will be opened for your use, to be coupled with such suggestions as it may be within the power of our office to render at any time.

As many times repeated in our publications, the value of money expended for educational purposes cannot be estimated. Those expenditures have been

repeatedly referred to and placed in the same class with "capital investments", as contrasted with "current expenses" "Q. E. D." from the visit above referred to, not standing alone as a simple visit, but showing that among the coming generation of pupils of our schools, are those whose education has already impressed them with the idea of getting at the root of things. Digging down to the source and to finally be full of the whole truth as to any subject before them. Certainly from a generation of pupils now in our public schools instructed by those who for educational purposes keep abreast of the times by extensive reading and study of current affairs concerning our state, there will arise a generation of men and women whose worth in their respective communities in which they may be, and whose worth to the state and to the nation, will be a worth for permanent progress along stable lines, and true foundation principles. Will be a representative worth in citizenship which can never be measured by measures of dollars and cents in the cost of the foundation now laid in our schools therefor.

The efforts of this Magazine since its first publication, has been to stir up in the people of this state such an interest in matters pertaining to the public finances, such as necessary expenditures for public activities compared to the ability of the "wealth of the state" from a taxation standpoint, to support proper activities required to the end of progress. Figures have been presented at different times showing various angles of the questions so brought to the view of our readers. Those figures have been coupled at times with comparisons, but more often presented that our readers may make comparisons and deduct therefrom individual conclusions. If the result has been to stir up such an interest that figures so presented may at times be discussed in our schools, the work of the Magazine has been productive of results. Never insisting upon any particular course of any reader upon any financial statement made, always challenging and suggesting further investigation. Always aiming to make our readers see that the financial problems of the state, its cities, counties and municipalities, are problems which concern each citizen. If it is true that we have succeeded to the extent of making the pupils of today take an interest in those questions, the efforts of the Magazine have not been in vain.

It may be hoped that the same efforts continued along the same lines may produce a future generation of people who, like our recent visitors, will try to be sure they are right, before leaving the subjects, and when that sure go forward

to progressive results.

Again we say, "come again boys".

Automobiles as a Part of Taxable Property of Arizona

On the front page of this issue there appears figures which show the proportions which the main classes of property as classified for assessment purposes bear to the total assessed valuation of all the property of the state. Among the smaller classes in the matter of values appears the item of automobiles. This class of property appeared upon the tax rolls of the state for the year 1919, at an aggregate valuation of \$8,545,667.50, and on those rolls represented 99-100 of one per cent of the total value of all property assessed upon those rolls. This same class of property appears upon the 1920 rolls at an aggregate assessed value of \$14,906,510.00, and automobiles as a class of property for taxation purposes upon those rolls will pay one and 67-100 of one per cent of all the taxes for year 1920. An increase of 68-100 of one per cent in proportion of taxes paid, during one year.

The above figures do not mean that more than \$6,641,000.00 has been invested in new automobiles during the year. It means that the new law pertaining to the listing of automobiles for taxation, and which requires all automobiles to be listed before a license number can be obtained has been productive of results. Prior to 1920, the matter of getting the value of an automobile upon the assessment rolls for taxation purposes was a matter of no consequence to the owner. If the owners were fortunate enough to be overlooked by the assessor as to the matter of an automobile, the result was to the owner's advantage. When, however, the new law of 1919 came into effect, and an owner of automobiles could not obtain a 1920 license until he had a certificate from the assessor of his county to the effect that the tax thereon had been paid, or the owner thereof had real estate also assessed upon the rolls, very few, if any automobiles escaped assessment.

Not so many years ago, automobiles were considered a luxury. The situation is changed however, when it appears that Arizona with a population of 333,000, has a taxable wealth in automobiles alone of over forty dollars on the average for every person in the state. The number of automobile licenses issued in 1920 is over 34,000. This means that on an average there is at least one automobile to every ten persons in Arizona.

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ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME EIGHT

PHOENIX, ARIZONA, OCTOBER, 1920

NUMBER TEN

Table Showing Total Assessed Valuation of Mining Property in Arizona and Percentage of Total State Valuation Since Statehood

Year	Mining Property of all Description	Per Cent of Total State Valuation
1912	\$ 45,145,084.49	31.7%
1913	140,488,648.30	37.2%
1914	146,672,395.05	35.7%
1915	159,019,288.85	37.4%
1916	216,879,796.28	44.2%
1917	393,421,536.60	56.0%
1918	491,679,957.15	58.63%
1919	496,262,860.93	57.66%
1920	469,651,131.18	52.79%

The Reduction in Assessed Valuation for 1920 From the Preceeding Year Was Due to Lessened Production, There Being Practically no Market for Copper

EDITORIAL COMMENT

MAKING THE RURAL SCHOOL EFFICIENT

A Statement of the Problem and a Solution, the County Unit Plan

(California Taxpayers' Journal.)

At the present time, school authorities and teachers are engaged in an intensive campaign of a more efficient method of educational and business administration of the schools.

Taxpayers' Association of California on many occasions has pointed out what it conceives to be the superior features of the county-unit system of school administration. Among school authorities the county-unit plan, which is now operating in so many states, seems to be acceptable; but there is a lamentable indifference, apparently, to any decisive action in the matter.

The present campaign for increased school revenues is being advanced mainly on the assertion that many rural schools are without teachers, or that they are in danger of losing their teachers, because of the lack of financial resources.

Why not take up seriously and with determination a plan which has demonstrated, in state after state, its power to raise the standards of rural education through efficiency and economy of business administration? Why continue to administer California's rural schools of today on a model adapted to conditions of a century ago? The educational requirements of today's boys and girls and the huge amounts demanded of taxpayers for school support, both suggest the urgency of this administrative reform.

1. The Problem

At present, in California, we still use the old Massachusetts District System for school administration, though it has largely outlived its usefulness and has been abolished entirely in nearly half of the States. Only in the western part of the country does it still exist in any strength.

The essential features of the District System are the subdivision of each county into from 30 or 40 to 150 or 200 little areas known as school districts, for each of which the people of the district elect three School Trustees, and these in turn select the teacher, look after the school house, and maintain a little district school. They act in part according

to law, and in part according to their ideas as to what a school should be. As the schools usually employ but one teacher, and have but a few pupils, there are commonly three times as many trustees as teachers. A county with 50 rural school districts would have 150 school trustees, 50 teachers and 650 to 700 school children.

Nowhere else in our political organization do we have so small a governmental unit. In the taxation of property, assessment, recording of deeds, building of highways and bridges, supervision of agricultural work, etc., we use the county as the smallest unit. Once the district form of school organization was very common, being found everywhere in rural districts, and even in our cities, but the cities everywhere have abolished the plan, and it is found in only 26 states—nearly all western. One of the last cities to abolish the plan was Philadelphia, where the city was organized into a school district for each city ward, with a board of six School Trustees for each ward or district, who levied local taxes, built the school houses, employed the teachers and janitors, and managed the schools. At times all of the 46 ward boards met together, 276 of them, to discuss the general needs of the city schools, to adopt a city course of study, and to elect a city superintendent of schools. Some ten years ago this last survival was abolished by law, and one small city board of education was appointed to take over all the schools of the 46 districts and operate them as one city-unit school system. This old Philadelphia school system was practically the same as the present California district school system, except that the people elect the superintendent. In Tahama County it is exactly the same, as the trustees there elect the county superintendent.

With the growth of modern educational needs, the shrinkage of the rural school population due to smaller families and the introduction of much machinery which has displaced "hands" and the coming of large foreign elements who need to be cared for in a good school and who cannot be trusted to educate and Americanize themselves and their children, the old district form of school administration has broken down and can no longer provide schools suited to the needs of country children and modern

life needs. In consequence intelligent parents everywhere are leaving the country, and moving to town, leasing their farms, largely to provide better educational facilities for their children. The rural school also has become very expensive, in part due to the increased salary of the teacher, in part due to increasing costs for everything needed, but largely due to the shrinkage in size of the school. A school of 10 to 20 children costs often more, and usually as much to maintain, provided an equal length of term is offered, as a city school of 45 children, whereas the education offered is not nearly as good.

The problem then is, how can we improve our rural schools, so as to provide for country children an education which for them is as good as that offered city children, and do it at anything like a reasonable cost.

2. Attempts to Solve the Problem

One attempt to solve the problem has been that of trying to educate the school trustee, by means of Trustee Institutes. These have done some good, but after all but a small amount, because they do not and cannot go to the heart of the problem.

The problem lies largely in the fact that the district unit is too small to provide good school facilities; that the taxing unit is so small that it often imposes unnecessary burdens to maintain even a poor school; that it is unnecessarily expensive—the cost per pupil frequently being twice that of the cities, and for a shorter and poorer school; that the single teacher cannot provide the specialized instruction now needed; that any of the special city educational advantages are impossible under the district system, such as expert professional supervision, special instruction in manual work and domestic science, or music and agriculture, or the provision of high school advantages.

The clear and unmistakable lessons of the city have been that they have obtained their success largely by reason of the consolidation of all their schools under one management, and then specialized their teachers and instruction and pooled their costs so as to provide needed special advantages for all at the lowest possible average cost. Under the district system nothing is pooled or united or specialized, and dozens of little schools

much alike and all poorer than they should be, are maintained at nearly maximum per capita costs.

The need is for a pooling of effort to produce better instruction, better supervision, longer terms, and at lower per capita costs.

3. The Consolidated School

One attempt to solve the country school problem has been through the consolidation of schools, and here and there some remarkable successes have been obtained in a few progressive communities. Where good consolidated schools—that is, larger schools with specialized instruction, formed by the abandonment of a number of little district-unit schools and the bringing together at one school of a large number of children—can be formed, they are desirable. Even a two-room consolidated school is better than a one-room district school, but a four-room, or a six-room school is better still.

The trouble with the consolidated school idea, as usually carried out, is that the consolidated schools are too hard to form, and when formed are usually too small. In no district-system state has the consolidation of schools made any large headway, for the reason that the people of the districts and their trustees, cannot be educated up to the advantages of large consolidations fast enough, and for the further reason that the laws usually require an affirmative vote of the districts, and prejudices and mistaken conceptions usually block constructive action. While the consolidation of schools is a desirable movement, the defects of the idea for solving the educational and financial problems surrounding the education of children in the country, lie in the difficulty of securing action, and the fact that most consolidations so far formed have been too small and in time will need to be done over again.

4. The Real Remedy Lies In the County Unit

Experience in other states has clearly shown the advantages of dealing with the problem of rural education, as we have with taxation, road and bridge building and agricultural service, from the point of view of the county as a unit. The clear and unmistakable lessons to be drawn from the history of education in our cities point to the same plan. Had our cities retained the district, or ward system, which they once all had, our city schools could never have provided the educational systems they today provide, and the costs would have been higher than they now are.

The remedy lies in administering our schools from the point of view of the county as a whole, just as the cities do

from the point of view of the city as a whole. In every way the city offers the desirable plan for organization. The essentials of the county-unit plan for school organization and school administration then would be:

(a) Abolish the many little districts and substitute the county as one district, cities of size within the county being permitted to continue their separate organization, because their problems are somewhat different. This could be done by county vote, under a permissive law, or could be required by general state law.

(b) A County Board of Education of 5 citizens, to be elected from the county at large by vote of the people, would then be chosen to take charge of all the schools of the county, outside of exempted cities, just as a city board manages all the schools of the city. The district boards of three trustees would then disappear, and their functions be transferred to the County Board of Education. The present county boards of education, educational boards appointed by the supervisors, would also disappear and the new elected County Board of Education would take charge of the schools.

(c) The little district schools would of course remain, for a time, but it would then become the problem of the County Boards of Education to study the educational needs of the county, and see how and where new groupings or consolidations could be effected, and gradually build new centralized school houses, to replace the little schools, transport the children to the new larger schools, and gradually abandon all of the one-room schools that could be abandoned.

(d) The New County Boards of Education would assume title to all the school property of the county (outside of exempted cities) with power to levy a tax (within fixed limits) for repairs and new buildings as needed. This would dispense with the present bonding of little districts for small additions and little schools, with its attendant legal expense (often as high as \$300.00 for \$1,500.00 worth of bonds) and also secure a lower rate of interest for school bonds issued, they then being equivalent to county road bonds.

(e) The County Board of Education should then appoint the County Superintendent of Schools, fix his salary, and be as free to go anywhere in the United States to get him (or her) as is a city today. He should then become the chief executive officer of the Board, and the chief educational advisor, as is a City School Superintendent in a city today, and be as free to suggest improvements, outline courses of study, supervise instruction and teachers, and direct

the education of country children as is a city superintendent of schools in a city.

(f) The County Board of Education, acting on the advice of the County Superintendent of Schools, should also employ all teachers for the schools of the county, and fix their salaries and pay them; fix a common length of school term; purchase all supplies needed for the different schools in one contract and at wholesale; supervise all transportation; appoint special county supervisors of manual activities, domestic science, agriculture, etc.; provide for county institutes of teachers; provide for the appointment of a county attendance and health officer, and county school nurses as needed; and provide for high school education and a county agricultural high school, as needed.

(g) The County Board of Education should also approve an educational budget each year, for conducting all the schools of the county, and determine the rate of county school tax needed to be levied to conduct the schools of the county. This would be a uniform tax, paid equally all over the county, and with its uniform advantages would be provided.

5. Advantages of the County Unit

(a) Such a plan unifies the educational resources of a county, and replaces dozens of little, scattered, feeble district schools—too small, too weak and with too limited taxing resources behind them—by a much smaller number of good, economically-administered central schools.

(b) It permits of the provision, for country children, of as good educational advantages as city children now enjoy.

(c) It eliminates the present numerous unnecessary duplications, provides larger classes and more specialized instruction, and greatly reduces the per capita cost for instruction.

(d) By consolidation along proper lines, from one-third to one-half of the teachers now employed can be dispensed with, a saving which will more than cover the cost for transportation and the lengthened term that is almost certain to be provided.

(e) Building plans and costs and bonding is unified and cheapened. There are fewer buildings to build or to maintain.

(f) It now becomes possible, for the first time, to provide larger educational advantages, and at minimum costs.

(g) Supervision can be changed from political, and of little value, as it now is, to educational and expert professional.

(h) Unit costs are decreased, and educational efficiency increased. For equivalent educational advantages the county-unit consolidated schools are always

(Continued on page 4)

ARIZONA TAXPAYERS' MAGAZINEOFFICIAL ORGAN OF STATE TAXPAYERS'
ASSOCIATION OF ARIZONA

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Address all communications to the Secretary,
51 West Washington street, Phoenix, Arizona.**MAKING THE RURAL SCHOOL EFFICIENT**

(Continued from page 3)

considerably cheaper, and after longer terms, better supervision, and superior instruction have been provided they seldom cost more than the present antiquated plan. The county-unit plan increases efficiency in a way that at present is seriously needed, without increasing unit costs or tax rates, when pooled over a county as a whole.

(i) Schools suited to country life needs are provided, desirable types of farmers are kept on the farms, and country children are given an educational opportunity equal to that their city cousins today enjoy.

The county-unit plan merely carries over, to the education of children in small towns and on the farms, the advantages city children now enjoy, and does it by applying to county schools organization and administration the lessons learned in the cities. The whole county-unit idea is merely an application to rural and town education, of the lessons to be drawn from the long experience of the cities. The two plans are almost identical in details, and the same reasons apply to both.

**Unavoidable Delays Connected with
Present Magazine**

It was the intention to place before our readers in this issue of the Magazine a review of state matters as connected with the fiscal year which closed June 30, 1920, and do so in some comprehensive form which would include a synopsis of what was done with matters connected with state finances as those matters show with respect to all state institutions, and state activities, for that year. With no criticism of any officer or department, our plans in that regard went bad, for the reason that reports were not accessible upon which to prepare anything like a comprehensive article covering the proposed ground. It is the intention to cover that ground just as soon as published reports are available. It has been impossible to obtain access to original reports, no matter how timely those reports were in fact submitted, due to the fact that many of the original reports covering some fields of state activities were in constant use as the basis for other official reports, budget preparation and the like, and inspection thereof with access thereto sufficient for magazine purposes could not be had without interfering with the required use thereof by officials whose action depended upon having before them reports of other officials.

It is presumed that our readers are interested in the subject of how much it has actually cost to run our state institutions for the past fiscal year, ending June 30, 1920, as compared with the cost thereof in prior years. It is presumed that a simple placing of columns of figures each showing nothing but aggregates of expenditures for purposes one year as compared with another, does not present the real question which is to be determined. That question being one of economy in expenditure so far as economy may be consistent with efficiency and necessity. For instance, one dollar looks like another dollar, two dollars are twice one dollar, yet in point of actual efficiency as connected with public activities, the one dollar may be so used as to accomplish more than one half as much as two used previously for seemingly the same general public purpose. Again, public activities pertaining to the same intended result may have been increased for the purpose of increased efficiency in that result, and so increased in response to public demand, in which event two dollars expended to meet that demand, may still be expended economically, where prior

thereto only one dollar was expended for that same general purpose. Still further illustrating the same matter; the numbers in attendance at our various institutions may increase, or may decrease. The question of a proper comparison as between amounts expended for maintenance of such institutions, cannot be correctly compared without going into the question of per capita of attendance. This is certainly true where the attendance at an institution carries with it the public duty of feeding, clothing and caring for the other personal necessities of each person so in attendance.

The taxpayers to whom this article speaks are presumed to be ready to contribute their just proportion of what it costs to maintain all state, county and city governments to a required and proper amount consistent with an efficient conduct of public affairs, when the actual cost of so doing is free from anything which looks like unnecessary expenditure, or with that cost, free from what is commonly referred to as extravagance. To such taxpayers, public money, well-expended for required purposes of the public, is not to be compared in aggregate amounts with other money, less in dollars of amount, not well applied to the purpose for which raised.

It is only by going into various details connected with what the public money is actually expended for, inseparably connected with amounts necessary to accomplish desired ends for the public, that any summing up may be made upon any charge of high cost of government in one year, over costs of the other. Hence it is that when the annual reports from all sources are available for comparison as to details, then and then only, will it be possible to present the matter of dollars and cents of costs, the actual needs to be covered and paid for, that one year may be tested with another year, for any accurate idea of the relative economy, of the real efficiency, and the results accomplished, in such manner as the public may judge of those results.

The public of Arizona has proved itself to be a reading and thinking public. Notwithstanding all to the contrary, an Arizona public is highly efficient in its analysis of public questions when the real facts are before that public. It has been the purpose of this Magazine in the past, a purpose to be continued in the future, to give the public such facts as it could upon matters of public fi-

nance and taxation. Until the Magazine can obtain the necessary facts from public records and public reports bearing upon above questions, it serves not at all to the end of its purposes, when it tells only a part of the story of figures, as it would be doing, if it attempted to go into the matter of a past fiscal year with nothing before it except figures. The public seems to desire facts, details and results in connection with figures of costs. To meet that desire, the Magazine must have the facts before it can satisfy the desire.

RUMOR OF PROPOSAL TO PRESENTLY TAX TO RAISE SINKING FUND FOR FUTURE STATE NEEDS

It may interest the large taxpayers of Arizona to know that a movement is already begun to the end of providing for taxation upon existing properties in this state as a means of providing for the support of state institutions and the redemption of bonds at some time in the future when those existing properties may have ceased operations.

The proposition as it comes to the knowledge of this Magazine is, that without regard to the amount of taxes now paid by some of the largest taxpayers of the state, and so paid for current present expenses of state, county, city and school purposes, a taxation scheme will be attempted through which still additional taxes will be annually imposed upon the holdings of those taxpayers in addition to what is annually needed to defray expenses of each passing year, in order that an accumulated fund be created from such extra taxes, out of which to continue the support of public activities of the state and its various subdivisions, even after the private activities of those properties so to be taxed, has ceased.

The proposition is a novel one, even as a general proposition. It is impossible to discuss the proposal at this time, for the reason that the controlling details of the idea are not yet public. If the idea is to tax some class or classes to the exclusion of others, and by so doing impose upon the classes selected, present tax burdens not equally shared by all classes of taxable property in the state, that idea would be subject to criticism for constitutional reasons. The general idea of presently taxing, even all the property on the tax rolls of the state, as a means of creating a fund for future support of the state, may likewise be subject to constitutional bars. However, when the proposition comes forward in its completed form, it will certainly be a proposition which should be subjected to close analysis, if for no other reason than, "sufficient to the year are the present tax burdens thereof."

State Land Department Financial Statement Receipts and Disbursements

Receipts, Refunds, Payments to State Treasurer and Balance. July 1, 1919 to July 1, 1920.
(Compiled from State Land Department Reports)

General Fund			
Balance, July 1, 1919.....		0.00	
Received from fees this period	\$ 23,022.40		\$ 23,022.40
Refunds to Applicants	232.00		
Paid State Treasurer	22,740.40		22,972.40
Balance, July 1, 1920			\$ 50.00
Permanent Common School Fund			
Balance, July 1, 1919		287.30	
Receipts from Rentals this period.....	141,592.37		
Revenues from Forest Receipts & remitted to State Treasurer by U. S.	58,775.83	200,368.20	
Receipts from Sale of Land		332,452.00	
Receipts from Sale of Improvements		2,244.99	
Receipts from Sale of Products		112.00	535,464.49
Refunds to Applicants		8,430.97	
Paid State Treasurer		524,788.53	533,219.50
Balance, July 1, 1920			\$ 2,244.99
Institutional Land Funds			
Balance, July 1, 1919		0.00	
Receipts from Rentals, Less Refunds to Applicants			
A-University	6,025.35		
Less Refunds	263.75		5,761.60
B-Public Buildings	3,489.54		
Less Refunds	143.75		3,345.79
C-Penitentiaries	2,314.40		
Less Refunds	135.90		2,178.50
D-Insane Asylum	2,091.00		
Less Refunds	174.10		1,916.90
E-Schools, D. D. & Blind	2,993.94		
Less Refunds	387.00		2,606.94
F-Miners' Hospital	1,327.15		
Less Refunds	67.30		1,259.85
G-Normal Schools	6,475.46		
Less Refunds	998.25		5,477.21
H-Charitable, P. & R. Institutions	2,499.70		
Less Refunds	130.75		2,368.95
I-Agricultural & M. Colleges.....	4,582.45		
Less Refunds	468.50		4,113.95
J-School of Mines.....	5,642.35		
Less Refunds	763.90		4,878.45
K-Military Institutions	6,500.79		
Less Refunds	93.95		6,406.84
L-County Bonds	22,576.04		
Less Refunds	1,582.55	20,993.49	61,308.47
Paid State Treasurer			61,308.47
Balance, July 1, 1920.....			\$ 0.00
Receipts from Sales, Less Refunds to Applicants			
Balance, July 1, 1919		0.00	
A-University	19,423.53		
Less Refunds	7.61		19,415.92
B-Public Buildings		27,484.08	
C-Penitentiaries		7,279.91	
D-Insane Asylum		5,913.63	
E-Schools D. D. & Blind	5,858.56		

(Continued on page 6)

AS TO REVISION OF STATE LAWS UPON SUBJECTS PERTAINING TO FINANCES AND TAXATION

It is generally understood that when the state legislature convenes in January there will be brought up for its consideration many proposals for amendments of present laws, including the revenue law, school law and others which seem to require some amendment to be effective along certain desired lines.

It is rumored from some counties that the legislature will be requested to do away entirely with the ten per cent limit clause pertaining to taxes for county general funds and county road funds. And by so doing leave the matter of amount of taxation open to such amounts as the boards of supervisors in each county deem advisable and leave the taxpayers of counties entirely at the mercy, so to speak, of each board of supervisors, as to the rate of county taxation.

There is also a rumor that demands will be made for repeal of existing laws pertaining to issue and sale of county bonds. These demands will be based upon the claim that under laws now existing, operating when the bond market is in a condition where bonds are not readily selling for "par and accrued interest" county bonds which have been authorized for road and other purposes are not salable. The demand will take the shape of asking such an amendment as will permit the boards of supervisors to sell county bonds at the market price, regardless of the face value of the bonds sold.

There will undoubtedly be presented to the legislature many important suggested changes in the present laws pertaining to the common schools of the state.

The matter of state highway construction will undoubtedly be taken up by that legislature with a view of meeting public demand for construction of highways to the end of linking different parts of the state together with what will be actually "state highways", as distinct from the construction here and there of patches of highway more or less local so far as the general public of the state is concerned.

In calling attention to the above subjects as among those which will come before the legislature for its consideration, the purpose of the Magazine at this time is to bring to the minds of our readers that fact that wise legislation upon each of the above subjects is a matter which concerns each and every reader. The public knows what it desires as to each and every one of those matters. The only trouble seems to be to get that public to express those desires

(Continued from page 5)

Less Refunds	7.26	5,851.30	
G-Normal Schools	29,662.70		
Less Refunds	72.00	29,590.70	
H-Charitable, P. & R. Institutions		3,806.03	
I-Agricultural & M. Colleges		1,051.43	
J-School of Mines		5,151.49	
K-Military Institutes		10,048.00	
L-County Bonds		58,771.80	174,864.29
Paid State Treasurer			174,864.29
Balance, July 1, 1920			\$ 0.00
University of Arizona Lands (Act of February 18, 1881.)			
Balance, July 1, 1919		0.00	
Receipts from Rentals	2,000.35		
Less Refunds	615.70	1,384.65	1,384.65
Paid State Treasurer			1,384.65
Balance, July 1, 1920			\$ 0.00
Carey Act Withdrawals			
Balances, July 1, 1919		413.00	
Receipts from Applicants		600.00	1,013.00
Paid State Treasurer			1,013.00
Balance, January 1, 1920			\$ 0.00
State Land Classification and Appraisement Fund			
Balances, July 1, 1919		0.00	
Receipts from Fees	8,530.36		
Less Refunds	168.21	8,362.15	
Receipts from Rentals		6,043.92	14,406.07
Paid State Treasurer			14,406.07
Balance, July 1, 1920			\$ 0.00
University Timber Fund			
Receipts from Timber Sale Contracts		53,758.92	53,758.92
Paid State Treasurer			53,758.92
Balance, July 1, 1920			\$ 0.00
Miscellaneous Receipts			
Balance, July 1, 1919	125.00		
Sale of Ford Car—(Admin. a-c No. 66)	100.00	225.00	
Less Refunds		125.00	100.00
Paid State Treasurer			100.00
Balance, January 1, 1920			\$ 0.00
Miscellaneous Maintenance (Sub. Div. No. 63)			
Receipt Dividend on Auto Insurance		4.75	4.75
Paid State Treasurer			4.75
Balance, July 1, 1920			\$ 0.00
Recapitulation Receipts			
Balance, July 1, 1919		825.30	
Balance, January 1, 1920		262.27	
Fees—General Fund		23,022.40	
Rentals, School Lands	141,592.37		
Revenue from Forest Receipts & remitted to State Treasurer by U. S. Treasury Dept.	58,775.83		
Rentals, Institutional Lands	66,518.17		
Rentals, University Lands	2,000.35	268,886.72	
Sales, School Lands	332,452.00		
Sales of Products (School Lands)	112.00		
Sale of Improvements (School Lands)	2,244.99		
Sales, Institutional Lands	174,451.16		
Sales of Timber—University Timber Fund	53,758.92		
Sales. Miscellaneous. Admin. a-c No. 66 (Ford Car)	100.00		

(Continued on page 7)

(Continued from page 6)

Miscellaneous. Maintenance fd. No. 63	4.75	563,123.82	
Fees, Class. & Appr. Fund		14,574.28	
Carey Act, Receipts from Applicants		600.00	871,294.79
Disposition of Receipts Refunds			
General Fund, Fees		232.00	
Permanent Common School Fund		2,430.97	
Institutional Land Funds		5,296.57	13,727.54
University of Arizona Land Fund		615.70	
Classification & Appraisalment		168.21	
Miscellaneous		125.00	
Payments to State Treasurer			
General Fund, Fees	22,740.40		
Permanent Common School Fund	524,788.53		
Institutional Land Funds	235,672.76		
University of Ariz. Land Fund	1,384.65		
University of Ariz. Timber Fund (Timber Sales)	53,758.92		
Carey Act	1,013.00		
State Land Class & Appr. Fund	14,406.07		
Miscellaneous	104.75	853,869.08	868,737.53
Balance, July 1, 1920			\$ 2,294.99
Total Balances, July 1, 1919	825.30		
Total Receipts, 7-1-19 to 7-1-20	870,207.22	871,032.52	
Total Refunds		14,868.45	856,164.07
Total Payments to State Treasurer			853,869.08
Total Balance, July 1, 1920			\$ 2,294.99

STATE LAND DEPARTMENT

Disbursements: July 1, 1919 to July 1, 1920

A— Maintenance—Sub. Div. No. 63			
Salaries, Commissioner and Deputy	\$ 6,950.15	\$	\$
Salaries, Office. etc.	25,883.22		
Salaries, County Appraisers	10.00		
Advertising	5,670.38		
U. S. Filing Fees	2,200.00		
Printing and Stationery	1,071.41		
Postage, Telegraph & Phone	808.79		
Imprest Fund (Held intact each month)	200.00		
Surveying	72.00		
Maps, Platting & Engraving	650.68		
Report of hearing-investigation, etc.	749.50		
Miscellaneous	357.74	44,623.85	
Traveling Expense			
Board and Lodging	541.15		
Railroad Fare and Pullman	1,017.70		
Postage, Telegraph & Phone	6.79		
Labor and Guides	21.60		
Auto Hire and Maintenance	2,593.98	4,181.22	
One Mitchell Automobile No. 3455, Net less Buick Machine turned in as credit.....		850.00	
Nash Automobile & Equipment		920.00	50,575.07
(Imprest Fund Still on hand \$200.00)			200.00
			\$ 50,375.07

B— Classification and Appraisalment Fund—Sub. Div. No. 107			
Salaries, State Appraisers	13,212.90		
Salaries, County Appraisers	65.00		
Surveying and Platting	2,081.85		
Canal Water Assessments	135.45		
Imprest fund held intact each month	400.00	15,895.20	

Traveling Expense			
Board and Lodging	3,597.85		
Railroad fare and Pullman	270.61		
Auto Hire and Maintenance	2,579.41		
Postage, Telegraph & Phone	61.36		
Guides and Labor	31.75		
Camp Supplies	10.10		
Express & Freight	.50		

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in tangible form in advance of actual legislation thereon.

The general public is quick to appreciate and deal with laws which are placed before it for direct action. It has been able to pick the chaff from the wheat of such proposed laws, and reject or adopt accordingly. The fact that the important subjects above referred to are being discussed at this time is evidence of some desire in some quarters for a change from existing laws. A change may be desirable. Amendments will be necessary to the end of any change at all. It is easy to make an amendment to any law whatever. It is not so easy for a legislature to make such amendments, that when made, will meet the approval of the entire public, or even meet the approval of a majority of that public. But when the legislature does finish its work, the laws which it enacts are laws of the state, whether or not, the majority of the people are in accord with the provisions of those laws. The legislature may have done its best according to its knowledge of what was desired, getting that knowledge from such members of the public who may be active in procuring legislation in accord with the purpose of such persons, and still enact laws which are not what the silent members of the public desire at all.

The point of it all is, that the public should not be silent when the legislature is dealing with matters so important to the welfare of the state as the subjects above. Every member of the public should speak before laws are made, speaking afterwards will be of no avail. The session of a legislature is short. Full publicity cannot be given to every law which may be proposed. There is nothing to prevent any person, or aggregation of persons who have in mind laws to be suggested to the legislature, from placing their suggestions before the public at any time. In other words, there is nothing to prevent the planning of laws long enough before the legislature actually convenes for action, that the public may be fully advised as to what the main ideas of the construction of proposed amendments will include. With such proposed plans before the public, those plans will become a subject for general discussion. Undoubtedly such a discussion will develop the presence of any undesirable features, and bring out other features which may be desired. Such a discussion of what is to be proposed as future laws of this state which will affect our entire county revenue system, our common school system, and our highways, would certainly bring to

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Miscellaneous	20.91	6,572.49	22,467.69
Less Amount advanced for Imprest Fund (yet on hand)			400.00
			\$ 22,067.69
C— University Timber Fund—Sec. 78			
Salaries, Fireman and Lookout	37.92		
Salaries, scaler, State Sale No. 10	1,431.83		
Salaries, Forest Ranger, Patrol and Lookout.....	611.70		
Salaries, Forest Supervisor	349.84		
Salaries, Forest Examiner	136.66		
Advertising	45.00	2,612.95	
Traveling Expense			
Board and Lodging	78.60		
Railroad fare and Pullman	4.00		
Auto Hire	46.00	128.60	2,741.55
D— Carey Act Fund			
U. S. Land Office Filing Fees	327.00		
State Engineer, Salary and Expense (Hasayampa River Irrigation Project)	357.84	684.84	
Traveling Expense			
Board and Lodging	208.00		
Auto Hire	40.00	248.00	932.84
TOTAL			\$ 76,117.15

The foregoing table was compiled from two "semi-annual" reports of the land commissioner, the aggregate thus making a statement of the financial transactions of the state in the department for a full fiscal year. This compilation was made that the figures given might harmonize with other financial reports which have been published and each of which cover fiscal year periods.

In connection with the report, attention may be called to the fact that all proceeds from sales of land, go into permanent funds created by the enabling act and by the land code. The list of these funds appears in connection with that portion of the report which directly refers to "receipts from rentals", with an addition to that list of the "state common school fund". These proceeds from sales are not available for current expenses of any of the institutions named, but are funds to be invested, with the interest upon those investments, available for current annual maintenance of those institutions. The land department has nothing to do with the actual investment of the funds, except in the way of reporting upon the value of lands offered as security for loans. Thus the report does not show how much, in addition to "rentals" of public lands, is actually available to current maintenance, for reason of amounts received from interest on loans from those permanent funds.

The report does show, that the annual school funds appropriated by the legislature, to be raised by taxation, were increased by the sum of \$141,592.37 on account of rentals of lands belonging to the state common school lands. The report also shows that oth-

er institutions, listed opposite letters "A" to "L" inclusive, also have available \$61,308.47 from rentals, in addition to tax-raised funds. The distribution to those various institutions appears in that same connection in the table.

The report also shows the amount received from the sales of lands, and land products for the year covered. Also shows just which land funds are increased by the sales. The figures given simply contain a statement of figures which balance the receipts to the Land Department with money turned over to the State Treasury for the year. Any one who may be interested in a complete statement as to the present totals of funds to the credit of any institution, will have to go to the books of the State Treasurer. In other words, the figures given in the above report showing sales of lands, must be added to the figures of sales of lands in prior years before the total sales of lands for all years since statehood will appear.

Under the general head of "Disbursements", the various maintenance items appear. The aggregate total appears as \$76,117.15. There is a plain conflict between the provision of the Land Code of 1915, and the general appropriation bill of 1919. The latter appropriated \$55,250.00 per year "for maintenance and salaries of the state land department," to be "in lieu of and not in addition to, any statutory appropriations for the purpose." The land code places "all fees charged and collected by the commissioner" to the credit of the "state land administration fund", to be in addition to other appropriations made by the legislature. The 1919 legislature would have limited the entire mainten-

ance of the state land department to an amount of \$55,250.00, but the language of the land code seems to have been applied in connection with the \$76,117.15 of total expenditures for maintenance.

AS TO REVISION OF STATE LAWS UPON SUBJECTS PERTAINING TO FINANCES AND TAXATION

(Continued from page 7)

the attention of the members of the legislature which will finally act, many matters, pro and con, that action, which would be of value to those legislators.

Let those who are suggesting amendments, and who already have in mind what is to be suggested, come out at once with their ideas, that those ideas may become the subject of a round table of discussion by the press and public, and with that done, the best ideas will finally shape themselves into the laws of Arizona, and will come quite close to being such laws as the people really desire.

IDLE FUNDS OF COUNTY LAND GRANT FUNDS

Over two years ago this Magazine pointed out the fact that taxes were still being levied in the counties of Maricopa, Pima, Yavapai, Coconino and Santa Cruz, for the purpose of paying interest upon the refunded bonds of those counties, regardless of the fact that sales and other revenues from lands donated by Congress, had accumulated in the state treasury more than sufficient to take care of current interest upon the bonds, and leave a surplus for further disposition of some sort, to the end that the counties have the benefit of the land grant. Since the matter was first agitated legal steps have been in contemplation, that state officials might have a court decision fixing the status of those funds.

Thus far no such steps have been actually taken, and the matter remains where it was. The funds are still idle in the state treasury, simply because the state auditor and state treasurer have no clear legislative direction as to how to dispose of them. With this long delay in the matter of a test suit, and with a new session of the legislature a certainty for the very near future, it might be suggested that the legislature and not the courts be called upon to straighten the matter out. A suit instituted at this time might result in such a construction of existing law as would leave the matter up in the air again, until a second session of the legislature. The matter is of too much importance to be left to drag along year after year with no action at all towards a proper solution. The Magazine can only suggest that the proper officials get busy and do something, whatever that something may be.

ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS' MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME EIGHT

PHOENIX, ARIZONA, NOVEMBER, 1920

NUMBER ELEVEN

Table Showing Assessed Valuation of Irrigated Lands and Lands Subject to Irrigation in Arizona and Percentage of Total State Valuation Since Statehood

Year	Number of Acres	Average Value per Acre	Total Valuation	Percentage of Total State Valuation
1913			\$28,077,038.00	7.47%
1914	378,956.81	77.29	29,289,571.90	7.19%
1915	348,356.65	78.98	27,512,752.20	6.54%
1916	364,227.32	74.49	27,129,944.80	5.58%
1917	437,126.00	74.08	32,376,580.50	4.64%
1918	424,600.46	101.32	43,022,573.50	5.16%
1919	447,956.38	102.52	45,922,911.49	5.32%
1920	462,565.25	147.77	68,355,382.00	7.56%

The above figures show a substantial increase in the number of acres of irrigated lands since statehood. Speaks also for permanent financial stability due to that class of property

EDITORIAL COMMENT

Should the "Ten Per Centum" Limit on County Taxes be Removed?

For several years the question as to the real controlling effect of what is referred to as the "ten per centum limit" has been the subject of discussion. What did the ten per cent limit really mean, just how was it to be applied, just how much could it be in fact evaded by county officials in fixing the amounts of general county taxes for general purposes and road purposes. These are questions which have been repeatedly discussed, and for practical purposes so far as giving a uniform application of the limit in all counties of the state, the questions have not been answered.

Some of the boards of supervisors found a way of evading the law through computations involving the actual amounts of "other sources of revenue" of one year, and estimating the probable amounts of those revenues in connection with a new year. Notwithstanding the fact that with the growth of the state, the receipts in fees to several of the county offices actually increased year by year, such as sheriff's fees in civil cases, jury fees in civil cases, fees in the offices of County Recorders, fines cases, jury fees in civil cases, fines and penalties collected, and the like or similar items which in fact have gone to increase the actual amount of "revenues from other sources" to the general fund of counties for use for its general purposes; and, notwithstanding the fact that the same growth of county business has called for an increase in the numbers of deputies in the county offices, with corresponding increase in the actual expenses of maintaining those offices, county boards when called upon to make estimates as to the revenues, have almost universally fixed an aggregate figure for those estimates, hundreds of dollars less as to prospective receipts than the actual receipts have been. This way of estimating has resulted in permitting a violation of the spirit and intent of the ten per cent limit law, as that spirit and intent has been declared to be by the Supreme Court. The purpose of the law, says the court, "is for the protection of the taxpayers," "that the taxes of one year shall not exceed by more than ten per centum, the amount of taxes levied and collected in the previous year. Yet by interpolating the manner of estimating "receipts from other sources" as above

referred to, and as it has been done in actual practice, the limit has not been of benefit to the taxpayers.

Just what has been done can be illustrated by the following. County "a" raised \$50,000 total taxes to its general fund and road fund in the year previous to a new tax levy. The actual revenues of the county from all other sources, were say \$15,000.00. As a basis or amount upon which to commence computing the increase, the \$50,000.00 is added to the \$15,000.00, giving a first total of \$65,000.00. Ten per cent of that total is \$6,500.00. Adding together the two amounts produces \$72,500.00. At this point a new computation commences, which involves the actual invasion of the intent and purpose of the "ten per centum limit" law. The boards commence to "estimate" how much of that \$72,500.00 may be provided from "other sources of revenue." Ignoring the fact that those actual revenues were \$15,000.00 during the previous year. Ignoring the fact that in the proposed expenses for the new year there appears requests for additional help in the county offices, due to "increased business" of those offices, with more fees collected, and more revenues earned for the county. Ignoring the fact that the actual revenues, averaged over several years, shows increased revenues from one year to the next. Ignoring all this, it is often found that a so-called "estimate of other sources of revenue" is fixed at arbitrary amounts, say (to carry out the particular illustration) at \$10,000.00. This amount is then deducted from the \$72,500.00 total first above, and a tax levy is made to raise \$62,500.00. Had the intent of the limit law been applied to the same figures above, the taxes amounting to \$50,000.00 could not have been increased by an amount of more than \$5,000.00, nor could the total of the new levy have been in excess of \$55,000.00 as against the \$62,500.00 amount above referred to as the actual amount finally levied and collected for the new year. The figures used in this illustration are not material. The actual problems which have been worked out in the various counties of the state during the past seven years, contain excesses in amounts of taxes levied and collected which have been excuses for no reason at all, except the erroneous method of computation actually used in fixing tax levies for road and general county

funds of the counties. During that seven years, the actual increases from one year to the next have been not "ten per cent" over the previous year, but more often over twenty per cent of increases over taxes of the previous year.

Still further as the results of the practice as above pointed out. After raising an excessive amount of taxes in one year, that excessive amount becomes in fact a false basis for a new computation of amounts to be raised in the levy for the next year. So during the course of several years the amounts at present raised by counties for general fund and for road funds in fact is several times the aggregate of what it should be, had the "ten per centum" limit been properly applied in the first instance, and properly followed during the ensuing years.

With the foregoing synopsis of how the limit law has been applied, there now comes a demand from some counties, that the limit be entirely removed. Just what result would follow such an entire removal of limits upon boards of supervisors as to taxation or general county funds, and general county road funds, is a question for serious consideration. To what extent would different boards of supervisors go in the matter of taxes to raise funds for those purposes, with that limit off.

Consider the two funds in their order. What are proper and necessary county expenses to be paid from the county general fund. Connected with that fund and payable therefrom are the fixed salaries of county officers. The present county salary law, classifies the counties, and does fix the salary of the heads of county offices, and does provide for chief assistants in those offices, fixing also salaries of the latter. That same law however, contains a provision which reads:

"All county officers hereinafter named, may, by and with the consent of and at salaries to be fixed by the board of supervisors, appoint such deputies, stenographers, clerks and assistants as may be necessary to properly conduct the affairs of their respective offices."

With all the limits removed as to the amounts which might be raised for the general expense funds of the county, there would be no positive limit as to the extent of the operation of above

clause. Until the above clause appeared in the salary law, the number of assistants in the various offices of the counties, was deemed to have been fixed by former salary laws, so fixed with respect to such assistants as were mentioned in that law. Not so at present. The matter of preparation of tax rolls was one to be performed by the supervisors and clerk of the board. Prior to the above provision it was so done. Since the above provision was enacted, the "extension of the items" on the rolls, has become a matter of special contract, and paid for as such, regardless of the number of salaried assistants in the office of the clerk of boards of supervisors. These matters are referred to as illustrating how easily a necessity for further help appears to exist, when the matter of that necessity is left without legislative limit in positive law.

As to the road funds. The necessity for roads, more roads than now exist, may be admitted. The question of how far

that necessity may be supplied through annual county tax levies is one involving other elements beyond the necessity for roads. How far can the taxpayers go in the matter of actually meeting the necessary taxes, without actual hardship to them. Should the limits be removed and leave the taxpayers at the mercy of enthusiasts for roads, whose demands upon the boards of supervisors might result in taxes for road purposes, levied without regard to other conditions, and possibly levied and collected with positive hardship to citizens called upon to pay. Some illustration of how this might work out is found in connection with sales of highway bonds in some of the counties. The fact that the law is to effect that such bonds be sold for not less than par and accrued interest, has not prevented contracts to sell for some ten per cent less than par placing what in fact is a discount into the expense account under "services of fiscal agent", "Expenses for attorney for bondbuyers", and similar evasive head-

ings. The only excuse which is offered has been that the county must have roads no matter at what cost, even to a direct loss to the taxpayers of ten per cent or more of the principal of the bonds, before any is expended for roads. Readers can draw their own inferences as to how an unlimited power to raise money by direct taxes for highway purposes might work out, if all limits were removed.

Looking at all angles of the question of a limit upon the powers of boards of supervisors as to amounts which may be raised by taxation and expended by counties, for county purposes in any fiscal year, experiences in all states has been such as to result in placing a limit of some kind upon those powers. In Arizona the real question is not one as to the removal of the limit, but to so amend the law, that new county expenses required by new acts of the legislature enacted since the limit law was enacted, may be provided for, and with that done provide a sure limit and enforce it.

As to Effect of Defeat of Several Initiative Measures

The people of this state rejected the many measures proposed by initiative at the election just past.

One conclusion which may be drawn from the result of the recent election is that the people are tired of being called upon to pass laws which have no general importance to the whole people; laws which by enticing headings are really deceptive when the body of the law is closely inspected; or laws which in general may have good qualities and purposes, but with so much added thereto which is contrary to accepted policies and precepts of state government, that the good must go to defeat when considered with the other portions thereof.

Still another conclusion may be drawn from the result above. The legislature of Arizona is still a law making body. It still meets every two years. Only in extreme cases will subjects for legislation arise which cannot and will not be handled by that body. It may enact poor laws. It may misconceive what the general public may demand in the way of legislation affecting any particular subject matter upon which it does act. Its action however is not final. The mistakes of one session when discovered to be mistakes, can be corrected at the next session. Not so, however, with laws which are enacted by initiative. Such laws are not subject to amendment, revision or repeal by the legislature. Any defects in such laws must continue until after those defects are, discovered

and continue thereafter until public spirited persons at their own expense may feel in duty bound to initiate a new law therein to correct the former defective measure adopted by initiative. Still further, an initiated measure may be proposed only in its entirety. It is like a ready made suit, the people must take it or not, just as it is proposed. Its purpose in the main, may be along lines and upon a subject as to which the people may desire some legislation. But unless the proposed law really fits and supplies all that it should do to cover such a subject, it is worse than no law at all. As said above, the legislature is powerless to cut it over and make it fit. And if, as in the case of several measures which went to defeat in the recent election, the measure as adopted does go to the length of apparently covering the whole subject as to which it speaks, the legislature may be entirely blocked thereby, from any legislation whatever upon that subject. In the latter event, an initiative measure finally adopted as such by the people, as to defects therein, will become no more than a stumbling block in the way of legislation which is really desired and really necessary upon a given subject.

The people seem to have come to the conclusion that ready made legislation in the form of initiative measures, is not to their liking. Their action seems to warrant the conclusion that the legislature is still able to cut, fit and make laws to suit public desires and public

tastes in law-making. Their action seems to warrant the conclusion that the people still know that when a legislature does not give the people what it does want, then there still remains the power in the people to change legislative tailors, and keep doing it from time to time, until the public finally gets what it wants.

For the benefit of those persons who were sincere in their desire for the success of certain initiated measures which may have been actively supported by them, it may be said that with the defeat of their particular measure, it does not follow that the main purpose of such defeated measure has been also rejected in its entirety. For illustration, the defeat of an act: "To amend the constitution of the state of Arizona by adding thereto an article providing for the increasing the salaries of teachers and public officers to meet the increased cost of living," does not mean that the teachers of our schools cannot and will not be paid salaries sufficient to meet the high cost of living. Laws already in the school code are ample for the purpose. School boards are given power under present laws to contract with and fix the salary of their teachers. The present law nowhere fixes the maximum of amount of salary, but does fix the minimum. Until such time as it may be said that school district boards are entirely unfair in the matter of salaries; or until such time as such boards may be

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AS TO EFFECT OF DEFEAT OF SEVERAL INITIATIVE MEASURES
(Continued from page 3)

charged with incompetency as to the matter of taking the present high cost of living into consideration when those boards do make teachers contracts, it cannot be said that teachers will suffer from the defeat of above measure. It may be said of that measure so far as teachers' salaries is referred to therein, that the law was unnecessary. It may also be said, that had the measure been adopted in its entirety, future legislatures could not so act as to provide for future conditions going directly to the very purpose of the bill, i. e. the high cost of living. Certainly, so far as that high cost of living presently figures in the matters of salaries at all, those figures will fluctuate in the future as they have in the past and it seemed proper to leave the matter for legislative control to meet changing conditions, just as the people have left it by defeating the measure.

That same measure still further illustrates the proposition that necessary legislation found in initiative measures

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County Tax Rate for Current Year

For purposes of showing the amounts of taxes for county purposes so far as those taxes go to make up the county rate in various counties, the table which is given below has been compiled. It shows the assessed valuation of the taxable property of each county, it shows the rates per hundred of that valuation which is levied in each county for the general county fund, for the road fund, for the common schools, and for interest and redemption of county bonds. The table does not show taxes which are levied upon the county rolls for "district purposes", such as irrigation districts, road districts; nor does it show amounts raised for school districts by special levies upon the property located within those districts. Nor does it show levies made for high schools, nor manual training fund. It does give the figures of items and amounts which are common to all counties and which in all counties represent such taxes as are levied and collected upon all the property in each county for strictly county purposes.

The general county fund in each county is raised for the payment of salaries of officers and employees, for the maintenance of county offices, for the maintenance of courts, repair and improvements of county buildings, and other current, annual amounts connected with the general administration of county affairs. It is a fund which is to be kept separate from expenses connected with maintenance of schools. No portion of that fund should be used for repair, maintenance or construction of any highways or bridges. Looking at the figures under the head of "general fund" it appears that it will cost the state of Arizona, \$1,899,732.79, to maintain its various county governments for the present fiscal year, independent of supporting the common schools, and independent of any highway construction, improvement or repairs.

The counties raised for highway purposes an aggregate of \$1,228,385.65 for county highway purposes. In addition to this amount, seventy-five per cent of a ten per cent per hundred levy in the state tax rate, being seventy-five per cent of \$884,445.68, will be distributed from the state to the counties according to the assessed valuations of each county. Still in addition to those amounts, the revenue from motor vehicle licenses the revenues from National Forest reserve lands appropriated to the state, (one-half of which goes to highways) and

special highway appropriations, all go to make the total amount of funds which are available for use under the direction of the boards of supervisors the total county road funds. No figures are available as to the amounts which have actually been raised for highway districts in the several counties. Nor as to how much has been actually raised and is available for highway construction from the proceeds of highway bonds voted by many of the counties. Nor, are figures available as to the actual amounts which have been allotted from the United

County Valuations and Tax Rates

County	Assessed Valuation	Rate
Cochise	\$176,039,879.17	\$100.14
Gila	147,110,006.32	.111
Maricopa	134,246,541.90	.205
Yavapai	130,044,420.17	.191
Pinal	73,774,883.00	.149
Pima	63,697,493.34	.228
Greenlee	41,967,979.58	.266
Mohave	23,359,527.49	.53
Yuma	22,937,196.96	.548
Coconino	22,835,426.47	.610
Graham	13,910,812.30	.306
Santa Cruz	12,781,406.80	.481
Navajo	12,354,201.00	.430
Apache	9,395,908.00	.492
	\$884,445,682.50	

States post road funds for use in connection with county highways as distinct from "state highways", the construction of which is proceeding in the various counties. The Magazine is informed that all highway, bridge and road construction now started in this state, will in its entire completion cost over \$16,000,000.00. This aggregate includes county, state and United States funds of all kinds.

The county common school funds so far as provided by general taxes in the counties, will amount to \$2,072,152.87, as appears from the table of figures, readers should not take that amount as the cost of the common schools of the state, there being so many other amounts which are in fact added thereto, and in fact available for the support and maintenance of the common school system of the state, that the direct county taxes for the purpose becomes only an item of that ag-

gregate. The state common school fund which includes amounts raised by direct taxation for that fund, which includes income from rentals of state school lands, which includes interest on sales of state school lands, which includes interest upon loans from money derived from the sale of those lands; which includes also income derived from sales of timber upon school lands in National Forest reserves with an income from leases by the United States of lands in these reserves, amounts to an aggregate "state common school fund" of \$1,080,120.79. Adding latter amount to what is raised in the counties—the \$2,072,152.87 in the table—and the total is \$3,152,273.66. This total comprises a fund which appears under the distinguishing head of "common school funds", in the appropria-

tions of state and county laws.

The state common school system includes the high schools in the various counties. That system includes also "vocational" educational branches including the teaching of industrial, agricultural and home economics as subjects in that branch of education. The state taxes include an amount of \$368,469.00 to be added to the common school funds for those purposes. Then and still in addition to all other amounts above referred to, there are county levies for High Schools, county levies for School District bonds, and county levies for excess amounts required by individual school districts in counties, as well as county levies to be expended in conjunction with the appropriation for "vocational education" by the state. The details of

all of these special levies would involve a statement as to every school district in the entire state. Too much detail for the scope of this article. The aggregate of all such amounts, which are in fact raised upon the county rolls for the year 1920, is \$3,280,475.84.

Bringing forward all of above amounts adding them and it gives the grand total of \$6,801,218.50 as the amount which the people of Arizona will pay for the support of their common schools for the present year. The people are liberal with their money for the purpose. It remains for the law makers, and for the administrative officers connected with the schools, to so act, that the best educational results be obtained from the money available. The problem is one for results.

Rates for 1920, Showing Amounts to be Raised for the Various County Funds

GENERAL FUND		ROAD FUND		SCHOOL FUND		INTEREST & REDEMPTION FUND		TOTAL COUNTY TAX	
Amount Raised	Rate per \$100.00	Amount Raised	Rate per \$100.00	Amount Raised	Rate per \$100.00	Amount Raised	Rate per \$100.00	Amount Raised	Rate per \$100.00
\$252,793.26	.1104	\$194,348.02	.1835	\$323,033.18	.06	\$105,623.93	.4975	\$875,798.39	
163,292.11	.2300	338,353.01	.2530	372,188.31	.0277	40,749.47	.6217	914,582.90	
275,205.41	.0925	124,178.05	.20	268,493.08	.0575	77,191.76	.555	745,068.30	
248,696.95	.08902	115,765.54	.09979	129,771.33	.07495	97,468.29	.455	591,702.11	
110,145.90	.0807	59,536.33	.2304	169,577.33	.1594	117,597.16	.6198	457,256.72	
145,485.07	.1595	101,597.50	.4495	286,320.23	.1676	106,757.00	1.005	640,159.80	
111,634.82	.1670	70,086.53	.3650	153,183.12	.1670	70,086.53	.965	404,991.00	
123,805.49	.17	39,711.19	.2225	51,974.95	.2775	64,822.69	1.20	280,314.32	
125,695.84	.223	52,296.81	.155	35,552.65	.1968	45,140.40	1.1278	258,685.70	
139,501.62	.2107	48,114.24	.2475	56,517.68	.0363	8,289.26	1.1054	252,422.80	
42,594.91	.1941	27,000.88	.6921	96,276.73	.3326	46,267.36	1.525	212,139.88	
61,478.56	.1038	13,267.10	.3901	49,860.27	.2844	36,350.32	1.2593	160,956.25	
53,128.00	.21438	26,484.94	.30508	37,690.20	.20550	25,387.88	1.155	142,691.02	
46,274.85	.1878	17,645.51	.4397	41,313.81	.3350	31,476.29	1.455	136,710.46	
\$1,899,732.79		\$1,228,385.65		\$2,072,152.87		\$873,208.34		\$6,073,479.63	

AS TO EFFECT OF DEFEAT OF SEVERAL INITIATIVE MEASURES

(Continued from page four)

must go to defeat because coupled therein with matters which are not necessary. If it was the desire of the people to remove the constitutional restriction upon the power of legislatures, forbidding the increasing or decreasing of salaries of elective officers during the term for which they were elected, the proper suggestion by way of initiative would have been in simple language repealing that restriction. Or, if it was the desire of the people, to so provide the members of the Supreme Court, of the corporation commission, of the tax commission, and other commissions whose members are elected and hold for alternating terms, that each member of such bodies receive the same salary, then standing alone, the final paragraph of No. 104

and 105 would have accomplished the purpose. Fairness to the members of our court and commissions demands a provision that each member draw a salary equal to that of every other member. It has been known that a constitutional amendment is necessary for the purpose of such an equalizing of salaries. The matter was in fact suggested to the legislature in 1917 and 1919. But then as in the case of the measure just defeated, the main idea was a general increase of all official salaries, to which the idea of equality of salaries was a secondary matter, and loading too much of the unnecessary along with what was and still is necessary, has precluded any definite action upon the matter.

The Highway Bill went to defeat with the other measures. Its defeat does not mean that the public does not desire state highways. The people have rejected the proposed method of handling the

subject of highway construction. There is no way of arriving at just what features of the proposed highway law were objectionable. Did the law as proposed contemplate too much in the way of powers to be delegated to the proposed Highway Commission? Was the matter of restricting the state as to constituency upon the commission contrary to prevailing ideas upon the subject of how boards or commissions to represent the whole state should be selected? Was there too many uncertainties upon the matter of when, how and where the state system of highways would be located, how constructed, and when constructed, coupled with too great a proposed delegation of powers to the commission? Was the measure an extreme one in its enumeration of matters of expense, unrestrictedly authorized to be made by the Com-

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AS TO EFFECT OF DEFEAT OF SEVERAL INITIATIVE MEASURES

(Continued from page five)

mission? Was the idea of creating an "imprest fund" which might include the entire amount of all highway funds, and placing that fund subject to "voucher checks of state highway engineer" contrary to prevailing ideas as to required protection and safety in the matter of using public funds? Was the idea of abolishing the present provision as to use of seventy-five per cent of state road tax fund in the counties respectively contributing to that fund obnoxious to counties and county officers? Do the people still desire that the executive of the state remain as the controlling head of such an important relation as will exist between the state and United States connected with funds to be available from the latter for state highways, that an attempt to overthrow the powers of the executive was defeated by rejection of the measure as a whole? Did the people see that under the "annual budget of highway construction" even though submitted to the governor after having been adopted by vote of four members of the commission, left the governor no real power of veto of that budget; that the governor could only suggest changes, he could not require them, for the simple reason that no matter what might be so suggested from the executive, four members of the commission could still vote to adopt or reject such suggested changes. Did the public realize and reject the measure

for some reason connected with that feature of the bill as proposed?

The foregoing questions are some of the questions which were discussed in connection with the highway bill. Those same questions will be matters of questions to be considered by the incoming legislature when it goes about the matter of highway legislation. As stated above, the matter of necessary laws pertaining to highway construction in this state is still an open question. The enigma for the legislature to work out will be in adopting such features of the proposed initiative measure as the people would have adopted had those features stood alone therein, and in rejecting such features thereof as were rejected by the people. And with it all there will still remain work to be done in revising, amending, or repealing to the extent necessary, that the relative powers of county officers, city officers, road district officers over highway construction may be distinguished as set apart in such manner as to be separated from and not subject to be confused with such powers as may be created with respect to state roads and state highway funds.

As said before, the defeat of any measure proposed does not defeat the subject of what was proposed from action by the legislature thereon, except it be in cases where the proposed law was in itself an amendment proposed to some prior initiative measure already the law of the state. As to such measures, their merit was in attempting to remedy defects discovered in those prior measures. Their defeat may be an un-

fortunate circumstance connected with the particular subject. The lesson from that defeat is apparently two-fold. First, that it is not easy to change measures when once adopted by the people, even though such measures may in fact be inadequate and impractical for the purpose to be accomplished. Second, the public may be fearful of making a second mistake in attempting to correct a former one, and may have become wary of initiative measures as a general matter.

From a financial standpoint the result of the initiative and referendum features of the last election is worth consideration. The assertion can be safely made, that the expenses connected with the matter was many times the expense to the public of a regular session of a state legislature, with the result of nothing to represent that expense. The public has been forced to pay for something out of which it derived nothing. It is helpless in the matter and must continue to pay for similar experiences in the future. A possibility exists that there may be room for revision of constitutional provisions upon the very subject of the initiative and referendum, as a means of preserving those powers to meet real public emergencies, while at the same time protecting the public from useless abuses in the use of the powers in cases where no such emergencies exist. No doubt however, that the public can deal with the matter wisely and safely when its mind is fully settled upon a proper course of action.

Preparation of Needed Legislation to Make Budget Law Fully Effective

There remains no doubt upon the question that the public are in favor of pre-arranged budgets as a means of limiting the expenditures for public activities. Nearly all of the states have enacted legislation along lines of such a system. The only thing that remains to be done is to revise and amend older laws which when given effect side by side with the provisions of the budget law, as those laws are, in many instances, still given effect, operate to get around the provisions of the budget law itself. Where the letter of the law remains, and reads so as to seemingly permit an application of its words as exception to budget law provisions, administrative officers are still prone to use those old laws as authority for an evasion of the spirit and intent of the budget law. Among the old laws in Arizona which are still resorted to for the purpose of adding to specific

appropriations made by the legislature, and by it intended to cover particular expenses of particular activities of the departments, are those "so much as may be necessary to be paid out of the general funds", provisions which were engrafted into the laws of the state, still appear therein, and have never been made the subject of an express repeal.

Every general appropriation bill which has been enacted since statehood has contained provisions that the appropriations therein made shall be in lieu of, but not in addition to, other statutory appropriations. The legislative intent was plain as to a purpose to do away with the continuing open and unlimited appropriations, and confine the expenditures within the limits of the general appropriation bill amounts. That legislative intent was not effective, for reason of court rulings that amendments to oth-

er laws could not be made by language in a general appropriation bill. Hence it will be necessary for a legislature which really intends to control the expenditures for state purposes to such amounts as it specifically designates for each purpose, to first go through the entire code of state laws, and sort out those words therein which still remain in the way of that intended control, and having found those particular clauses, phrases or paragraphs, then devote special language of repeal or amendment directed thereto in each instance, and when that action is taken, the amounts thereafter appropriated will be the sole and only amounts placed at the disposal of administrative officers for expenditure for state purposes. With such amendments and repeals made, the budget law will be effective.

There were some objections to the op-

eration of the budget law based upon the fact that by its terms it became effective just prior to the beginning of a new fiscal year, and the general appropriation bill then in effect did not provide any specific sums for certain necessary public purposes. Those objections will not arise again, provided the legislature does carefully and fully cover in detail each and every purpose which requires funds, by making specific appropriation in the general appropriation bill for each thereof. There is no reason for any omission in regard to any item with the books of the state auditor, the state treasurer and the directors of state institutions, open to the legislature, and with reports now required to be made to the Governor, and the proposed budget to be presented to the legislature as required by the budget law itself.

When Arizona launched into statehood, the cost of many of its activities could only be approximated. After eight years of statehood, those costs have become more or less certain as to required amounts, and no reason now exists for leaving uncertain the amount which may be used by any department of any state officer. With the actual figures of actual costs for eight years as a basis, the legislature can fix amounts which will be adequate for each and every necessary state purpose.

Some confusion has arisen as to the disposition to be made of such revenues as are derived from rentals upon leases of state lands, revenues derived from interest upon contracts for sale of state lands, revenues derived from automobile licenses, and some other revenues. The legislature made appropriations for common schools, for the university and normal schools, for other state institutions, each of which in turn are beneficiaries under land grants, and in some cases, under co-operating appropriations from the United States. The confusion has arisen upon the point as to whether those revenues above mentioned were "self-appropriated", became additions to other specific appropriations, or whether the amount of such revenues are to be deducted from the amount of specific appropriations, leaving a balance to be raised and provided by tax levy. Up to date the matter has been handled by treating those revenues as additional to other appropriations made for the same purposes, and tax rates have been levied to produce the entire amounts of specific appropriations. This has been done under opinions of attorneys, which opinions are not strongly supported by the language of the present laws. Nor have those opinions been entirely accepted in all quarters, and the matter above suggested is still open to doubt. To support the budget law, the

legislature can easily go over the laws pertaining to the use of the revenues above referred to, consider the amounts of each in connection with the necessities of each activity, and then plainly fix an aggregate amount, and say whether that amount shall be inclusive of those revenues, or shall be raised by taxation in addition to other revenues; and finally say whether both amounts shall or shall not be available for current maintenance purposes.

The work of the incoming legislature is therefore already cut out for it, if it intends to make the budget law effective as a means of actually controlling the expenditures of public funds. This Magazine has kept in touch with the matters covered by the foregoing article, and the suggestions there made as to what is necessary are such as have come to its knowledge from its attempt to keep posted. It by no means intends to assume any position of dictating in the matter. What is said has been for the sole and only purpose of doing its mite towards bringing about a desired end. A completed, working budget system, being that end so desired. The legal department of the Magazine is now engaged in the details of what is covered by above general observations, and is preparing to be ready to furnish more direct information along specific lines of needed legislation to the end above.

Too much care cannot be used in going about the matter of re-adjusting the laws pertaining to finances intended for and necessary to, the support of our

state institutions. Hastily prepared laws may repeal too much, or may repeal too little. Knowing in advance what is desired for accomplishment along certain lines, the time is at hand for advance study, advance comparison, and thorough investigation, as to every possible point to be considered in connection with proposed changes to be made in any important law of the state. The matter of revenues, of state finances and state expenditures, to be regulated by a budget law, is a matter not to be excepted from the care to be used in connection with any law and proposed amendments thereto.

If on the other hand, the present budget law if left to work its own way, without such revisions of other laws as now conflict with real budget principles, and which now prevent the desired results to be expected from the application of those principles to state finances, the idea of a budget may become lost or possibly discarded, not for reason of any defect in the principle of the system itself, but for the sole reason that the system has never been really perfected as such. Having advocated the budget system for years, the Magazine may be permitted to freely suggest along the lines of the present article, that such a system may be fully rounded out and become effective, and given a full and fair trial. Having spoken for the idea of a budget, it cannot remain silent when suggestions are necessary to perfect its ideals in that line.

Federal Aid Funds for Schools and Roads

In May, 1908, an act passed by Congress provided that twenty-five per centum of all money received from the forest reserves situated in states and territories should be paid to the state or territory in which the forest reserve is situated, "to be expended as the legislature may prescribe for the benefit of the public schools and public roads of the counties in which such forest reserve is situated." The table which appears in connection with this article shows the different forest reserves in the state, the number of acres of each reserve situated in each county of the state, the rate of distribution of earnings per acre of lands in the reserves, and finally, the total amount to be distributed to each county. The total amount covered by the table is \$124,628.19, which is available to the different counties of the state which appear in the table for "school and road pur-

poses."

Since the above act of Congress became a law, the legislature of Arizona enacted what is now paragraph 4655 of the civil code. This paragraph provides as follows:

"It shall be the duty of any county treasurer receiving money under the provisions of the preceding section, to immediately notify the clerk of the board of supervisors and the county school superintendent of the county, of the amount so received, and thereafter said money shall be **"disbursed for the benefit of the public schools and public roads of said county, in such manner as the board of supervisors may direct."**

In practice, the boards of supervisors have been more generous to the "roads" than to the "schools" in "directing the manner" in which county allotments of these forest reserve funds are to be ex-

pending. Instead of dividing the money equally, the bulk of each annual allotment has been placed to the credit of the county road funds. This unequal division of funds has been challenged by the United States (according to reports from New Mexico) the government department insisting that the congressional intention was an equal division of the funds between schools and roads; further contending that the power of the legislature extended only to enact laws covering the purposes as connected with roads and with schools, for which—one-half for each—the particular portions of the forest reserve funds shall be expended. Contending that the legislature cannot so enact, that unequal

division of the funds can lawfully result through action by the state or county officials. To say the least, the code paragraph above quoted is ambiguous, and if the contentions are correct, or if the legislature really intends an equal division of funds, that ambiguity should be removed by amendment.

The allotments referred to in this article are distinct from another allotment made by the government from sales of timber on school lands in forest reserves. The latter fund goes directly into the state school fund, and increases the legislative appropriations for common schools of the state. The total of latter fund is \$64,774.01 for current fiscal year of the state.

matters, until called upon to pay public bills, when they pay their taxes, that it is refreshing to have expressions from persons who do take interest by timely suggestions. Hence the letter from a taxpayer which is published below is given space in this issue. That letter speaks to the point, and so speaking needs no explanation.

"To the Editor of the Arizona Taxpayer's Magazine.

"Dear Sir:—

"Under the above heading I would like to draw your attention to one point in the election laws of this state.

"It is in regard to bond elections.

"As nearly as I have been able to get an understanding of the question, the state and subdivisions thereof, as cities, counties and school districts may call and hold elections to vote bonds for such purposes as are permitted under the laws of the state, and if a majority of the votes cast are in favor of the issue of the bonds the election is legal regardless of the number of votes cast.

"In two or three such elections in which I have taken part, the total vote cast has been a small part of the total number of legal voters.

"I presume that laws in other states are more or less similar to those of Arizona in that respect; but when it comes to a bond election in a large city where well up to half million dollars are voted with less than half of one per cent of the people voting it seems to me that it is time some person should take exception to the fact.

"In too many cases a bond election is called through the influence of a few people who have an entirely selfish purpose in view, and they, in such cases, seem to depend on the general, public indifference or ignorance to achieve their object.

"Would it not be well that in all bond elections a certain fixed proportion of the qualified voters should cast their votes in order to make a bond issue legal?

"As a starter, I would suggest that 40 per cent of the total number of votes be cast, either for or against, in order to make an issue of bonds legal.

"On account of public indifference such an election might fail in many cases where it would be almost a public calamity; but would it not be better so, for a new election can always be called, and any loss as well as the extra expense might serve to help overcome one of the great shortcomings of this democracy, viz: Failure to do its duty by voting at every election, after each one had done her or his best to get the necessary information to vote in the best interest of the whole public.

"Yours very truly,
Taxpayer."

State Revenue from National Forests for Year Ending June 30, 1920

County	Reserve	No. Acres	Rate per Acre	Amount	Total
Apache	Apache	469,056	.009779414	\$ 4,587.09	\$ 4,887.71
	Sitgreaves	42,869	.007012516	300.62	
Cochise	Coronado	483,740	.011614836	5,618.56	5,833.39
	Crook	22,595	.009507724	214.83	
Coconino	Coconino	1,334,907	.020210568	26,979.23	44,913.41
	Kaibab	738,939	.002530136	1,869.72	
	Sitgreaves	218,007	.007012516	1,528.78	
	Tusayan	1,119,187	.012987800	14,535.78	
Gila	Crook	320,978	.009507724	3,051.77	11,639.06
	Tonto	1,331,418	.006449734	8,587.29	
Graham	Crook	397,099	.009507724		3,775.51
Greenlee	Apache	774,086	.009779414		7,570.11
Maricopa	Crook	2,300	.009507724	21.87	5,239.81
	Prescott	173,110	.011609621	2,009.74	
	Tonto	497,416	.006449734	3,208.20	
Mohave	Dixie	17,680	.003211538	56.78	90.68
	Kaibab	13,400	.002530136	33.90	
Navajo	Sitgreaves	389,474	.007012516		2,731.19
Pima	Coronado	385,080	.011614836		4,472.64
Pinal	Coronado	24,558	.011614836	285.24	2,086.68
	Crook	149,515	.009507724	1,421.55	
	Tonto	58,900	.006449734	379.89	
Santa Cruz	Coronado	411,510	.011614836		4,779.62
Yavapai	Coconino	437,064	.020210568	8,833.31	26,608.38
	Prescott	1,274,704	.011609621	14,799.25	
	Tonto	101,072	.006449734	651.89	
	Tusayan	178,932	.012987800	2,323.93	
Total Acres		11,367,632	Total Revenue	\$124,628.19	

BONDS VOTED BY SMALL MINORITY OF TAXPAYERS.

It is always a pleasure to receive suggestions from our readers, when those

suggestions go right to the point connected with matters of taxation and finances. So many people do not act, nor do they manifest any interest in those

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ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

ARIZONA TAXPAYERS' MAGAZINE

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF ARIZONA TAXPAYERS

VOLUME EIGHT

PHOENIX, ARIZONA, DECEMBER, 1920

NUMBER TWELVE

New Year's Greeting

For three centuries the Star of Empire has pursued its western course in America since the landing of the Pilgrims in December, 1620. Arizona is in the direct line of its course. Those Pilgrims met, coped with hardships and adversities, and permitted nothing to stay the **progress of ideas of freedom** brought with them in their landing upon the barren rocks of Plymouth. The people of Arizona are no less persistent, no less inspired with the **faith** and the **hope**, and utmost **confidence**, that Arizona will become a shining light in all that pertains to **progress, welfare and happiness** of a thriving, contented population of toilers and strivers for truths which tend to those desired ends. Temporary hardships, losses and obstruction, may impede for the moment, but will never stop our people in the **final attainment of their ambitions**. The temporary mistakes of today become the **stepping stones for success in the future**. With the coming advent of **a new year and a new century** in the course of American progress, let us forget present troubles and immediate adversities, and **with renewed vigor and firm resolves take up the work** of the new year and the new century, determined that for Arizona at least, another century mark in the course of time will show still greater strides towards **peace, plenty and perpetual happiness of man**, than shown by the past.

EDITORIAL COMMENT

A General Demand for Governmental Economy

From Washington as to matters pertaining to the administration of the affairs of the nation, from nearly every state in the union, from cities and towns, comes an appeal for more economy in the administration of the affairs of government. It seems that after years of indifference as to how much it costs to run public affairs, the people have come to realize that public business is the people's business, and what is more to the point it has been finally impressed upon the minds of the public, that the latter pays the cost of government.

Enormous Taxes Result of War Has Aroused Public Sentiment To Ideas of Public Economy

If it took a war time experience of three years, with the actual cost of that war, added to the ordinary expenses of normal government, to teach the people the fact that they must finally furnish the money and pay the bills, then the lesson, although an expensive one, is not without good results to be applied to governmental problems in this period of reconstruction of affairs after that war. The papers are full of charges of graft, of reckless extravagance, in expenditure of war funds, of needless expenditure, and of positive waste in that connection, and regardless of the question of truth or falsity of those charges, the whole situation has come through the glaring totals of the expense bills. Those expense bills tell the tale that billions have been used, where in former years millions covered the totals.

Economy May Be Accomplished by Abolishing Needless Boards and Bodies and Consolidating Similar Public Activities Under less in Number, but More in Scope of Powers

Assuming that the people of Arizona are in the mood to consider the question of large amounts which are now raised for public purposes in this state. Assuming that such a consideration is to be made along lines which will conserve, continue and properly support all necessary public activities, there remains one general question to be answered in connection with every present public ac-

tivity, and to be likewise answered should new activities be proposed as necessary. That question is, briefly, where can a cut be made through which needless boards, commissions, offices, officers and employees, may be eliminated, without impairing the required efficiency along any given necessary line of public activity, and still retain sufficient of governmental machinery to accomplish everything that real government requires. It is not to be hastily concluded that any such weeding out can be done. The subject is suggested under the above question to be answered, that the people may take upon themselves the duty and burden of ascertaining whether or not any of the present lines of public endeavor may be discontinued entirely, or may be modified in form, or may be collected and grouped under more comprehensive powers in a lessened number of boards, officers and commissions, still retaining all that is required, and still performing all necessary functions of a progressive government, still acute to all real needs of the people, but stripped of all else.

Economy May Require a Strict Investigation as to Real Necessity for Any Continuance of a Present Public Activity. Its Abolition if Not Otherwise Necessary

Going over the most of the state offices, boards, commissions and offices of this state, and on inspection of the accounts and other states, it is apparent that in the last twenty years the number of such offices, boards and commissions has increased in the same proportions that new ideas and new features for governmental activities have been adopted. Given a new public function to be performed, or given a relative of some prior general activity some extra prominence as an activity, and immediately there arises a new commission, a new board, or a new public office in that connection. Instead of referring the matter, so to speak, to standing committees having charge of the general subject, the matter is referred to a specially created committee, "With power to act." Going over comparatively, the annual financial reports of these special committees with power to act, it appears that each have found active necessities for their particular line of public endeavor, if the increase year

by year in the appropriations made at their request, is to be used as a criterion. Rarely, if at all has any legislature reconsidered the question of the real necessity for the commission itself, or rarely if ever, has any legislature considered the question of consolidation of commissions working along kindred lines of public activities. Each succeeding legislature has accepted as final the conclusions of some preceding legislature, first as to creating and then as to the necessity of maintaining in existing form all that was so created. The currently pertinent question really considered has been, the amount requested by each such commission, an appropriation of that amount to be raised by taxation and expended by each commission, board and office once entered upon the state roster as such. The result has been that the aggregate of public expenditures has been increased year by year, the burden of the tax-paying public, and the burden of the whole public, has in consequence increased to such proportions as to bring the whole problem into prominence as a question to be discussed by the people.

Some of the states have, therefore, become aroused to the situation of constantly increased burdens of taxation. Have met the situation by abolishing commissions and boards, and created boards of public affairs with power to act, and for whose actions owe a duty to the people. In so doing the pendulum has swung from the extreme limit of government activity, the extreme limit of public agencies, each independent of the other, and none responsible to any superior power, to a centralized grouping of powers to do for the people, and to be responsible to the people for laxity in action and inefficiency. Perhaps the solution of the problem lies somewhere between the two extremes. Perhaps, a more simple, less expensive and equally efficient handling of public affairs may be accomplished at less expense, with more directness, by centralizing powers and responsibilities where experience has shown such centralization advisable and necessary for speedy and direct results, by consolidating all kindred lines of public activities under more general heads embracing all. By eliminating all commissions whose duties are perfunctory, merely advisory, and those whose really necessary

duties may as well be performed by some one of the more general commissions.

The Public Should Refrain From Demanding Any Increase in Public Activities Not Demanded by Actual Necessity for An Efficient Government

The public demands a reduction of the cost of government. That same public collectively and individually must be willing to forego demands for new governmental activities. Must accept without demurring any action of any legislature or law-making body, which rejects as unnecessary, newly proposed features in governmental theories. Must give the lawmakers a chance to "clean out the rubbish" if any now exists, before attempting to insist upon new things to be added to what is left.

A direct result of action towards consolidation, towards elimination and towards centralization of powers to perform necessary public functions, would be a lessening of demands for new public buildings, demands now based largely upon the fact that so many new boards, offices, and commissions have

been recently created that old public buildings cannot house them. Civic pride embodied in the idea of costly and magnificent public buildings, is an element which enters largely into demands for new public buildings. That pride cannot be catered to, at times when the public is already straining to meet present burdens, let alone assuming increased burdens voluntarily so assumed.

Economy Does Not Mean Cessation Nor Retrenchment; It means doing away With the Luxuries and Giving Full Effect to the Necessities of Government

On the other hand, true public economy does not require and will not permit any cessation of such public activities as are presently necessary to bring about progress and prosperity. True economy means no more than actually dispensing with that which is not actively associated with and necessary to the welfare of the people. It does not mean retrenchment or abandonment of anything that will be of sufficient benefit to the public, to actually pay its present

cost or warrant a future burden. If such an investment of public funds can be made along any line whatever, that the investment presently made, will inure to the financial advantage of the public, such an investment should still be made, in the line of true economy. It will pay for itself and a profit also. True economy in public affairs means no more and no less than it means in private affairs. It means a retrenchment in the matter of expenditures for fads, theories, and luxuries, without depriving of what is really necessary to present needs, and in view of future requirements in such needs from time to time.

After years of more or less indifference as to the matter of aggregate cost of public business, the legislators and the people will find it no easy matter to go back to more economical lines. Private citizens do not find it easy to abandon the habits of luxury indulged in for years. Private circumstances may so change that an abandonment is often forced. If the amount of public expense is to be reduced, the action necessary to the end must be taken, no matter how hard it may be to take that action.

UNIT SYSTEM FOR COMMON SCHOOLS

With the start of statehood, the question of state support for the common schools of the state, in part at least by state funds, was perpetuated in the state constitution by those provisions which relate to the distribution of the income from the investment of the permanent state school fund, from the rentals derived from school lands, with such other funds as may be provided from time to time by law; a distribution of all thereof among the various counties in proportion to the numbers of pupils of school age residing therein.

One of the first provisions enacted by the legislature pertaining to the common schools was that of providing free text books for distribution and use in all the schools of the state.

State Common School Fund a First Step Toward Uniform System Throughout State

These provisions were brought about as the result of years of experience in the conduct of district or common schools under the old district school plan, the teaching of that experience being that sparsely settled and isolated districts in the states were actually unable to contribute such amounts by taxation as were actually necessary to maintain schools. Schools or no schools, terms of schools for definite periods, the salaries of

teachers, the matter of school houses and school equipment, under the district school system, was found to be matters of uncertainty. An uncertainty solved in most cases by an inspection of the tax rolls of the particular district. The desire of the people for schools in which their children may acquire a common school education, if not entirely an inherent American desire, one arising from the pioneer spirit which imbued our ancestors with the will to break away from the shackles of ignorance which surrounded the masses of the continent, to migrate to the new America, and there from the abundance provided by nature, tirelessly plod, strive, and achieve in the name of freedom and liberty the best that a kind providence had intended for mankind. In proportion to the number of her inhabitants, no people of any state in the union of states provides more financial support to common schools than does Arizona. That spirit of desire to provide the youth of this state with the best in the line of common school facilities permeates the entire state from its wealthiest, most populous civic centers, to the remotest recesses of its forests and deserts. The people have shown themselves ready and willing to provide the money to support such a system of schools under such system of management as the legislature has heretofore

provided. With a population of approximately 334,000 people, an aggregate of \$6,801,218.50 of money provided in one year for the support of common and high schools of the state of Arizona, tells its own story of the trend of public mind upon the question of their common schools. Voices that mind in no other words which can be used other than the words: "cost what it may, the common schools of this state must and will be supported."

School District System Obsolete When Statewide Uniformity in Schools Desired

It is not with any thought of reducing amounts necessary to provide full and adequate common school facilities to every pupil of school age in this state, that a feeling has become manifest in the state, that the people may yet get more results and at reduced cost. The question has been suggested in other states, discussed by men prominent and experienced in educational work, and it has been likewise discussed in Arizona, and many persons have heretofore expressed their opinion that the district school unit as installed by our forefathers is a unit system which has outlived its usefulness. That the necessity for the continuance of

(Continued on page four)

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A UNIT SYSTEM FOR COMMON SCHOOLS

(Continued from page 3)

such a unit system has passed away. That the system itself in this state is out of harmony with the very reason which induced the framers of the constitution to make provision for state support for the common schools, that reason being that the common school system of Arizona shall be such a system that uniform and as nearly equal if educational facilities afforded, to every school child in the state, and be so equal and uniform, regardless of location, local conditions, or other thing whatever, which may otherwise effect the early years and life of that school child.

"Home Rule" Idea Which Still Supports District Control of Schools, Must be Relinquished to the End of Full Equality in All Schools

No one questions the soundness of that policy which embraces the idea of uniformity and equality of common school facilities above mentioned. It is sound in theory, and cannot but be sound in its practical application to the common schools of this state, provided that the

policy is in fact so applied. The funds for the support of the schools are provided by state and county taxes, which includes every county, city and town of the state. If those funds are used according to a uniform idea as to every detail in the system of teaching what is to be taught in public schools, with those details outlined by some centralized body of educators, coupled with powers in that body to see to it that those details are uniformly followed in all schools, there is no doubt that in theory every school in the state would present the same uniform facilities and opportunities of a common school education, as that presented and maintained by any and every other school. There is no flaw in the theory of centralization of powers of control over common schools. There is however that element of a reluctance on the part of local authorities and particularly communities, to yield such control over the affairs of the district schools, which must be overcome in the interests of the centralized theory, before boards of trustees of the districts are abolished in favor of a more centralized power of control to the end of more uniformity. It is a question of "home rule of schools" and for schools, to be retained at all events, even when it is generally admitted that uniform results cannot be obtained except by provisions of law which grant to the same powers which formulate and prescribe the common school courses a connected power to follow up and see to it that the prescribed courses are taught according to the ideas and intentions of the prescribing power. It is argued that under the present system of control of school districts by local boards of trustees, there are many variations from anything like uniformity in the school courses, due to the different ideas of different boards of trustees. According to those ideas, certain courses among the regular courses prescribed for schools, may appear of more importance than others. Those other courses are consequently handled in a perfunctory manner, that prominence may be given to the more favored courses. At any rate, the argument in favor of more centralized power of control is based upon the principle that if the common school system is to be planned from a unit headquarters, that same headquarters should have full power to see that those plans are carried out according to specifications. The argument may be illustrated by saying that an architect plans a house with all its details, an intended builder accepts those plans and starts to build the house. If the architect of the plans is given power to supervise that building which he has planned, then no matter where it is erected, nor no matter how many houses are erected from the same

plans, all will be similar without variation. On the other hand, place the same plans in the hands of an inexperienced builder, leave the details to the latter, and there will be a great difference in the finished results.

Illustration as to Actual Uniformity as Result of Central Control

Arguments in favor of a centralized unit in the school system of the state often refer to the efficiency obtained in the training of the military forces of the United States for the late war. The scheme of training originated in headquarters. The rules to be followed by the officers were taught in officers training schools. Those officers were distributed throughout the many encampments. Those encampments were all similar in design, equipment. The rations, clothing, accoutrements, and outfit of each officer, each soldier, and each company of soldiers, was identical in all. The inspection of the work of each encampment and training school was by details from headquarters. History has already told us, that the system resulted in quickly training men for efficient service. All trained alike, all ready to become a fitting unit in any company of military forces, regardless of where trained. All demonstrating the argument that uniformity of results, depends upon the power to see plans which intended uniformity of results, carried through to the end.

Centralize the Purchasing of School Supplies and Eliminate Actual Excesses in Cost Under Present System

The financial features of the idea of a more centralized unit for control of the common school, involves a centralized purchasing of school supplies. The supply of text-books for the schools is already covered. The same argument which supported the enactment of a law covering the purchase and supply of text-books, will, and do, support a claim that the extension of that same plan to all supplies and equipment will tend towards a lessened cost, and tend also to uniformity in schools as to the equipment used. Even the plans as to style, capacity, and arrangement of school houses, could be so standardized as to result in similarity of cost, and uniformity in adaptability to the purposes. The arguments in favor of centralized purchasing powers, include claims that bulk purchases would decrease costs. That purchases would be made for all schools out of one general fund of the county or state, would be made according to the amount of that fund, that purchases could be made and paid for without delay. That all extra amounts or in-

creased prices so concealed with a purpose to cover loss for such delays in payment as now exist, would be eliminated, and the people of the State would get a dollar in value for every dollar expended for school purposes, with many expenses now incident to the purchasing, accounting, and other routine work of individual school districts, also centralized, reduced in amount, and actually saved to the public.

The State and Counties Now Provide School Funds and Should Control Their use to the End of Actual Equality Among All Schools

The argument is, that while the school district plan was a necessity at the period when settlements of the country were few and far between, when such schools as did exist were necessarily supported by the parents and people of each isolated

settlement, and while at that time the people of each district were really expending their own money for their own schools and were rightly entitled to full say as to matters involved in that expenditure, that under present ideas and present system of raising funds by state taxes and by general county taxes, the whole people of state and county have a direct interest in the educational result from the money raised for their support. As said above, the argument takes the position that the old idea of control of district schools by local boards, is an idea to be discarded to the end of greater uniformity and more equalized results to be obtained from our common school system.

The people of Arizona want the best. The problem involved in what is said above, is, what is the best. That problem is for the people to answer through legislative channels.

vision with official power to proceed, and complete that line as a unit.

Funds for Lines of Highway Partly in Two Counties Should be United and Controlled as a Unit to Better Apply for Federal Aid for Entire Line as a Unit

The difficulty which has been encountered in getting actual co-operation by and between the several supervising and controlling officers of state and county, to the end of completing desired links in state and county highway systems agreed upon, has been a difficulty to be overcome in the best manner possible, and has also been a difficulty the overcoming of which has been productive of many delays in actual construction. The experience in overcoming those difficulties may warrant the conclusion, that where distinct portions of an important link in a highway should be completed for public benefit, provision should be made under which that link can be constructed under one unit head of supervision and control, with power in that unit head, to draw together from the several sources of funds, such funds as are available, and make the aggregate a single unit fund for that construction. Then with that unit fund controlled as a unit, the amount thereof could be used in dealing with the United States for allotments of federal aid funds for the purposes of the entire line. Such a plan would require county authorities to appropriate certain amounts from available road funds (without regard to the source of those funds) to match similar appropriations to that same end, by other counties interested. Would require that the amount of all such appropriations be subjected to the control of the state engineer or some other state official, under whose final direction and supervision the joint appropriation fund could be expended in construction of the line of highway in its entirety. Some such plan would eliminate much of the "red-tape" now necessary to accomplish the same purpose, and would remove the uncertainty which now exists as to whether or not, when one section of a proposed line of highway is constructed, other sections thereof will ever be constructed.

Too Much "Red-tape" Involved in Getting Concurrence of Various "Supervising Heads Existing Under Present Laws

The experience with highway construction in the past, seems to warrant the suggestion, that more delays are occasioned for reason of getting various supervising bodies to agree, than are really necessary. And that still further delays are occasioned by continuing

A Birds-Eye View of Highway Construction Under Way and Contemplated

The idea is prevalent in some quarters that the present "Highway Department" of Arizona is not accomplishing results in the way of actual construction of roads and bridges. As a means of presenting to our readers some facts which will bear upon that idea, and dispel it as unfounded, a table has been prepared which shows as near as can be shown by a table, what work has been under way for the past two years, what work is at present under way, and as to each an estimated per centage of the completion thereof at the present time. These projects which are numbered in the table, are so numbered with respect to federal aid funds connected therewith. The projects which are listed comprise thirty-six so numbered, and as to which the various items designated as "federal aid funds," aggregate an amount of \$2,404,741.75 of such federal funds as have been allotted in connection with those projects. This aggregate does not include several projects as to which federal aid will be available, projects, which so far as county and state are concerned, are to be covered by the proceeds of highway bonds already authorized, but not yet reduced to cash in the treasury of the counties, available in support of construction contracts to carry out the voted will of the people of several counties.

The Absence of any Provision of Law for Joint Construction of Inter-Locking County Roads Hampers Actual Construction of Such Roads

Another feature presents itself in connection with the table. It will be noted

that different portions of the same line of road, is listed under the same number. Some in one county, some in another and in some cases different portions listed separately under the same number in the same county. This means that the county supervisors have put their heads together at the county lines, agreed that certain links of road were of mutual necessity and mutual benefit to both counties, and after so doing, each board had to retire to the confines of their own particular jurisdiction, and make available such funds as possible toward the ultimate plan agreed upon. It means also that Federal Aid funds are available in connection with state roads, the government knows no county lines, and an entire project may in its entirety be allotted Federal Aid, leaving it to the state engineer to devise a way to apply those allotted funds to what may be a joint project as between counties. The separate blocks of road under one number may also mean, that a portion of the entire road included under that same number is to be constructed possibly by prison labor, some portion of the 25% state highway funds, portions of the state highway funds known as the 75% portion re-allotted to the counties, with additions perhaps, from highway bonds. In other words, and under present laws which relate to highway funds, there exists no working provision under which when a certain line of highway has been agreed upon as for construction, anything like a co-operative action can be taken which will place the different funds available from different sources, under some controlling head and distinct super-

those powers of supervision so far into actual operations in road construction, that the result is that no particular individual, board or body has final deciding power, to say as to what shall, and what shall not be done. That experience seems to warrant a suggestion that instead of creating new boards and new commissions with powers of supervisors and control, an elimination of those powers which already exist in vague and uncertain language in present laws, would result in speeding up highway construction. Highway construction is a science. Such a science as requires special study and special experience, that permanent and lasting roads may be constructed. If that experience

cannot be hired for the benefit of the public, it is doubtful whether it can be found or furnished from general appointments from the public at large. If highway construction is to be successfully carried on and such construction finally depends upon the advice of skilled engineers to boards or commissions, it is but a step to place that construction which is first agreed upon by vote of the people or otherwise, directly under the supervision and control of such an engineer. Make him responsible for results, and do away with useless surplusage of control placed with persons not specially skilled in work of that kind. After some investigation upon the subject of why more highway work has not been completed in Arizona, the sugges-

tions above made have presented themselves in answer to those investigations. In connection with the figures given in the table, it may be said that bond issues have been voted in several of the counties aggregating over \$11,500,000.00 and that preliminary surveys, and preliminary work as to the roads to be constructed, has been completed. With sales of the bonds, this work will be undertaken and completed in due course.

With it all, it cannot be truthfully said that Arizona has not been active in the matter of public highways. Considering the size of the state and the number of its inhabitants it may be said that Arizona has been remarkably active in the matter discussed.

Synopsis of Highway Work and Projects Now Under Way Under State Supervision

County	Project	No.	No. Miles	% Completed	Estimated Cost	Funds	Remarks
	Tombstone-Fairbanks		8.0	100	\$ 65,128.00	75% S. H. F.	
	Bisbee-Douglas	11	4.00	100	297,081.15	75% S. H. F.	
	Bisbee-Douglas	11	4.463	100		F. A. \$148,540.51	
Cochise	Douglas-Rodeo	14	7.295	90	112,213.38	75% S. H. F.	
	Douglas-Rodeo	14	5.00	100		F. A. \$56,106.69	
	Douglas-Rodeo	38			106,603.52	Co. Bond Issue	
	Douglas-Rodeo	38				75% S. H. F.	
	Douglas-Rodeo	38				F. A. \$80,301.76	
	Benson-Will	18	5.997	80	304,406.70	75% S. H. F.	
	Benson-Will	18	6.0198	85		F. A. \$152,218.33	See Pima County
	Flagstaff-Paving	21	1.098	50	88,174.05	Co. Bond Issue	
	Flagstaff-Paving	21			88,826.23	Town Funds	
Cocconino	Flagstaff-Williams	24	15.1	30	202,589.37	Co. Bond Issue	
	Ash Fork-Williams	37			35,707.76	Co. Bond Issue	
	Ash Fork-Williams	37				F. A. \$17,853.89	Connected No. 21 & No. 24
	Superior-Miami	16	5.14		1,177,398.51	F. A. \$413,318.50	No. 16 Includes
	Superior-Miami	14	3.5	35		75% S. H. F. \$90,000	portion in
	Superior-Miami	14				Sp. App. \$100,000.00	Pinal County
	Superior-Miami	16	2.8			Pres. in R. F. \$120,000.00	
Gila	Superior-Miami	16	2.8				
	Superior-Miami	16	Bridge				
	Globe-Geronimo Grading	15	26.8	95	132,920.05		
	Globe-Geronimo	15	29.0		19,177.40	75% S. H. F.	
	Globe-Geronimo	15			87,645.00	F. A. \$97,964.00	
	Globe-Geronimo	15			65,000.00		
Graham	Geronimo-Solomonville	25	37.00		223,831.30	Co. Bond Issue	
	Clifton-Solomonville	22.5			Included Above	Co. Bond Issue	
Greenlee	Way Canyon	13	5.368	100	183,241.46	Co. Bond Issue	
	Phoenix-Tempe	30	3.0				
	Phoenix-Tempe	30			98,596.08	25% S. H. F.	
Maricopa	Tempe Paving	8	1.08	100	34,705.70	75% S. H. F.	
	Tempe-Mesa	8	5.56	100	87,591.08	F. A. \$111,483.62	
	Phoenix-Tempe	2	3.86	100			
	Tempe Bridge			90	65,000.00	Emergency App.	

ARIZONA TAXPAYERS' MAGAZINE

Extracts from Biennial Report of State Superintendent of Schools

Marinette Bridge	10	497.45	59	277.08
Agua Fria Bridge				55,500.00
Wickenburg Bridge	13	202	50	000,000.00
Arlington Bridge	32	280 ft.		45,440.37
Phoenix-Glendale	33	6.751		122,314.31
Buckeye to Hassayampa		9.0		150,000.00
Hassayampa to Yuma Line		72.65	No Estimate	
Grand Canal to Yavapai Line		40.00		750,000.00
Arrowhead Trail		180		1,000,000.00
Mohave Toopock-Oatman	39			117,430.35
Oatman Goldroad	5	2.186		85,750.18

Emergency App.	
75% S. H. F.	
F. A. \$30,118.79	
75% S. H. F.	
75% S. H. F.	
F. A. \$61,157.15	
Co. Highway Bonds	
F. A. \$100,000.00	
No App.	
No App.	
County Bonds	
F. A. \$88,715.17	
75% S. H. F.	
F. A. \$42,875.09	

County	Project	No.	No. Miles	% Completed	Estimated Cost	Funds	Remarks
	Colorado River Bridge				80,000.00	Sp. App. \$80,000.00	
Navajo	Holbrook-St. Johns	3	3.718	95	57,139.50	75% S. H. F.	
	Winslow Paving	20	0.57		62,773.20	Town Funds	
	Benson-Vail	18	3.9	30			
	Benson-Vail	18	6.7	35			
	Benson-Vail	18	7.0634	50			
Pima	Benson-Vail Cienega Bridge	18	278.78	50			
	Tucson-Florence Paving			100	116,018.00		
	Tucson Nogales	23	2.52		400,569.41		
	Borderland	23	0.00	75	182,000.00		
	Mesa-Superior	7	2.707	100	153,331.00		
	Queen Creek	7		100			
	Florence-Superior	23	9.5977				
	Florence-Superior	23	25.1989	50			
	Florence-Superior	23	22.0981		478,788.00		
Pinal	Florence-Queen Creek						
	Florence-Queen Creek						
	Superior Miami		1.4				
	Superior Miami		1.7	100			
	Superior Miami		1.7				
	Superior Miami		4.8				
	Superior Miami			60			
	Superior Miami						
	Superior Miami						
	Ray-Superior		7.6				
	Prescott-Jerome	12	1.961	100	133,054.11		
	Prescott-Jerome	17	3.0	90	210,347.27		
	Prescott-Jerome	17	2.0	90			
Yavapai	Prescott-Jerome	19	10.792	100	83,839.85		
	Prescott-Jerome	19	4.208				
	Prescott-Jerome	36	18.7		82,743.00		
	Prescott-Jerome		7.5	100	192,603.28		
Yuma	Yuma-Welton	26	23.9	10	250,910.00		

SYMBOLS: "75% S.H.F." is County Portion of State Highway Tax. "25% S.H.F." is State Portion of State Highway Tax. "Sp. App." is Special Legislative Appropriation.

Extracts from Biennial Report of State Superintendent of Schools

There appears below figures which are taken from the latest report of the State Superintendent of Public Schools, and give a brief summary of finances connected with the common schools and the high schools of the state. The report in full gives many more details, and is worth a close study by persons who are interested in the matters of our present school system, as connected with proposed changes therein.

From the figures which are published below, it appears that the balances in school funds is constantly increasing. Speaking of such balances as remain unexpended at the end of fiscal years after the financial affairs of each school year are supposed to have been closed. On June 30, 1919, the balance appears to have been \$1,125,459.83, that balance increased to \$1,722,166.04 as the balance on hand June 30, 1920. After deducting from those balances the amount of "building funds" included therein for the respective years, the increased balance of the last year is \$393,056.13 over the balance of the previous year. The actual location of these balances, and the several balances in "school district funds", and in "county treasury school funds" if most

That comparison would also show, that a marked difference exists as between schools existing under very similar conditions as to number in daily attendance, and like controlling conditions as to cost of maintenance, in the amounts raised and expended to support such schools. That comparison appears in the table below which gives figures as to maintenance and per capita cost of maintaining the high schools of the state. From those comparisons it can be urged, that while state support now includes a per capita rate of distribution of state funds to the schools, that distribution does not seem to bring a uniformity of cost of schools, even, though, the courses of study to be pursued, the text books to be used, and other details are now prescribed from state and county authority. It is urged, that a lack of uniformity in actual costs, arises from differences between the ideas of school district boards, as to the manner of applying funds to the purposes of the schools, and differences in interpreting and applying the details of educational courses as prescribed from state and county heads, to the individual schools.

There is a strong sentiment throughout the State that urges that our school system will become more efficient, through abolishing some features of the present system, which now increase the cost, and actually tend against the desired uniformity as among all schools of the State.

Total Receipts and Expenditures of School Moneys for the Years Ending June 30, 1919 and June 30, 1920. State of Arizona

Balances:	1919	1920
(a) Unapportioned County School Fund.....	\$116,034.83	\$306,424.59
(b) School District Funds	290,861.97	461,372.38
(c) Building Funds	227,767.70	431,326.18
(d) Miscellaneous Funds	490,795.33	523,082.89
Total	\$1,125,459.83	\$1,722,116.04
Receipts:		
(a) State funds	\$ 935,750.79	\$ 878,339.38
(b) County School Taxes	967,902.30	1,162,286.15
(c) School (Poll) Taxes	360,517.52	422,285.76
(d) Licenses, fines and other purposes	59,219.85	86,175.29
(e) Special tax for maintaining schools	414,537.34	682,849.38
(f) Sale of Bonds	560,450.04	2,085,230.85
(g) Miscellaneous sources	1,240,295.94	1,849,265.15
Total receipts, including balances	\$5,664,133.61	\$8,888,548.00
Expenditures:		
(a) School maintenance	\$2,314,573.42	\$3,146,108.62
(b) Building purposes	358,204.67	1,502,689.00
(c) Miscellaneous purposes	1,218,323.48	1,635,279.23
(d) From County School Fund.....	45,427.94	55,211.58
Total Expenditures	\$3,936,529.51	\$6,339,288.43
Balances:		
(a) Unapportioned County School Fund	\$279,307.80	\$ 363,633.99
(b) School District Funds	477,778.26	486,739.32
(c) Building Funds	438,599.01	1,014,474.58
(d) Miscellaneous Funds	519,974.70	684,411.68
Error in Graham County previous report	11,944.33	
Total	\$1,727,604.10	\$2,549,259.57

Per Capita Cost of High School Maintenance for the School Year Based Upon the Average Daily Attendance

	Average Daily Attendance	Total Cost of Maintenance	Per Capita Cost of Maintenance
Tombstone	30	\$ 5,164.00	\$172.13
Bisbee	284	53,539.15	188.52
Douglas	265	38,737.82	146.14
Benson	25	18,262.45	730.495
Willcox	69	14,702.39	213.075
St. David	23	6,582.50	286.195
San Simon			
Flagstaff	12	4,911.95	409.325
Williams	19	4,408.75	232.055
Globe	200	39,635.64	132.115
Miami	118	24,055.52	203.01
Safford	71		
Duncan	35	11,244.90	321.25
Clifton	98	27,914.27	284.84
Morenci	51	27,651.16	542.175
Metcalfe	12	9,750.43	812.53
Phoenix	883	156,970.80	181.14
Mesa	386	53,625.00	141.515
Tempe	116	15,905.80	137.115
Glendale	165	20,926.46	181.31
Chandler	69	16,020.00	232.18
Gilbert	50	14,050.00	281.00
Kingman	56	16,316.70	291.37
Holbrook	28	4,425.61	158.06
Winslow	89	14,379.09	161.56
Tucson	416	52,747.67	126.80
Florence	33	16,555.28	501.68
Casa Grande	41	9,723.84	237.17
Ray	21	9,717.92	462.76
Nogales	60	17,161.29	286.02
Jerome	51	13,050.93	255.90
Clarkdale	51	13,989.18	274.29
Prescott	111	25,798.00	232.42
Yuma	160		

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